



InterCure Raises \$3 Million in First Closing of Series C Financing Led By Major Japanese Venture Capital Firm

Funding to Further Accelerate Sales of its RESPeRATE To Lower Blood Pressure Device and Assist with Japanese Market Penetration

Tokyo, Japan, Fort Lee, NJ and Lod, Israel, April 13, 2005 - InterCure, Ltd., a consumer medical device company pioneering the breathing-based treatment of cardiovascular diseases, today announced that it has raised \$3 million in a first closing of series C round of fundraising. The round was led by Nikko antfactory, the venture capital arm of Nikko Cordial Securities (TSE: 8603), Japan's third largest investment bank with shareholders equity of approximately \$7 billion, together with Nippon Venture Capital (NVCC), one of Japan's leading VC firms. Existing investors participating in the financing were Medica Venture Partners, Yaacov Shachar, Dr. Arie Ovadia and Dr. Benjamin Gavish, one of the company's two founders. Additional existing investors include New York based True-North-Palladin Partners, United Mizrahi Bank and Mr. Daniel Plotkin, the company's Chairman. InterCure intends this round to be its final private financing round, and is anticipating an Initial Public Offering by the end of next year.

InterCure is the leader in breathing-based cardiovascular treatment devices. **RESPeRATE To Lower Blood Pressure®** device (www.resperate.com) is the only non-drug hypertension treatment device clinically proven to lower high blood pressure and is cleared for marketing in the USA (FDA), Europe and other key markets. InterCure is experiencing a rapid growth in revenues as **RESPeRATE®** is becoming a mainstream treatment option for physicians and consumers. **RESPeRATE®** has just been awarded the "2005 Hypertension Treatment Technology Innovation of the Year Award" by Frost & Sullivan, and has recently become Amazon's (Nasdaq: AMZN) most popular medical device.

"Therapeutic breathing is at the foundation of Japanese culture and tradition," said Mr. Ataru Onuma, Nikko antfactory. "We believe that InterCure's breakthrough technology will have great success in Japan and that RESPeRATE will be enthusiastically embraced by doctors and consumers. Furthermore, we have been tremendously impressed with InterCure's exceptional management team and its exciting plans to provide an entirely new class of non-drug, no-side-effects treatment options for the 30 million hypertension sufferers in Japan, 95 percent of whom do not have their blood pressure under control."

"Can a consumer product be the fruitful target of Venture Capital? It may not have been in the past, but it shall be," said Takayuki Amada of NVCC. "InterCure's products belong to a new hot category of 'Consumer Medical Devices', which are expected to be a promising area in private equity markets. While VCs usually hesitate to invest in consumer products because of unpredictability and large marketing costs, NVCC is uniquely enthusiastic about this new area and is looking for the appropriate investment opportunities."

"Can a consumer product be the fruitful target of Venture Capital? It may not have been in the past, but it shall be now," said Takayuki Amada of NVCC. "InterCure's products belong to a new hot category of 'Consumer Medical Devices', which are expected to be a promising area in private equity markets. While VCs usually hesitate to invest in consumer products because of unpredictability and large marketing costs, NVCC is uniquely enthusiastic about this new area and is looking for the appropriate investment opportunities."

"We are extremely honored by the strong confidence Nikko and NVCC are showing InterCure," said Erez Gavish, InterCure's President and CEO. "This is Nikko Cordial's first direct investment in an Israeli company and we are committed to providing ample returns. Now that the US market

is experiencing dramatic growth, Japan is our next top priority market. The credibility and network of our new partners will greatly enhance our ability to capitalize on the Japanese opportunity."

About InterCure Inc.

InterCure (www.intercure.com) is a medical device company that creates and sells products that harness the therapeutic power of breathing for the treatment of hypertension, heart failure, respiratory diseases and other conditions.

With seven successful clinical trials, **RESPeRATE**[®] (www.resperate.com), InterCure's first product, became the only non-drug medical device indicated by the FDA for the adjunctive treatment of hypertension.

About Nikko antfactory and Nikko Capital

Nikko antfactory K.K. (<http://www.antfactory.jp/english/index.html>) was founded in October 2000 as the private equity arm of Nikko Cordial Group's merchant banking division. In 2003, Nikko antfactory merged with Nikko Capital Co., Ltd., the venture capital subsidiary of Nikko Cordial Group. Nikko antfactory invests in both buy-out private equity and venture capital opportunities providing management, business development and financial advisory support to its portfolio companies. The company manages 17 venture capital funds, 3 private equity funds, and 1 secondary fund with an investment asset of approximately 90 billion yen as of April 2005.

About Nippon Venture Capital Co. (NVCC)

Nippon Venture Capital is a pure venture capital firm with over \$450 million in financial backing from respective industry leaders such as Ushio Inc, Secom Co, Orix Corporation, Sumitomo Mitsui Banking, Omron Corporation, NTT, Sanyo Electric, Fujitsu Ltd, Sumitomo Electric, IBM Japan, and Nippon Life Insurance. NVCC is well positioned to incubate highly innovative business of portfolios, strongly supported by above Japanese business leaders, and eventually over half of investments are in early-stage companies