

(letter)

Explanatory document for the 4th term

From: 01/01/2025
To: 12/31/2025

Date: 04/27/2026

Name of Business: H.I.G. Middle Market Advisors IV, LLC

Address or location: (Principal Business Office)

c/o H.I.G. Capital L.L.C.
1450 Brickell Avenue
31st Floor
Miami, FL 33131 USA

(Registered Office)

c/o The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, New Castle County
Delaware 19801, USA

Name

Anthony A. Tamer , Co-President and
Director of H.I.G.-GPIL, Inc., the
manager of H.I.G. Middle Market
Advisors IV, LLC

(Name and Title of the Representative

in the case that applicant legal status is corporation)

(Note)

A person who has changed his/her surname may quote his/her former name next to the current full name in parenthesis in the "Name" section.

1. Operational status of business

(1) Date of notification

① Notification in accordance with Financial Instruments and Exchange Act (hereafter "FIEA") Article 63(2) or Article 63-3(1)

Date: 06/14/2023

② Notification in accordance with Article 48(2), (4) or (6) of the Supplementary Provisions of the Act to Partially Amend the Securities and Exchange Act (Act No. 65 of 2006)

Date: mm/dd/yyyy

(2) Types of businesses currently being operated

Specially permitted business for qualified institutional investors, etc. (private placement and investment management)

(3) Overview of the current term

H.I.G. Middle Market Advisors IV, LLC acts as the general partner of H.I.G. Middle Market LBO Fund IV, L.P. (the "Fund"). The Fund typically makes controlling investments in under-managed and/or stressed middle market companies that have the potential for significant value creation through implementation of growth, performance improvement, strategic and risk mitigation initiatives.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

	Corporate officers	of which part-time officers	Employees	Total
Total	1	0	0	1

② Status of corporate officers

Positions	Names

③ Status of performance-linked remuneration for corporate officers

Status of performance-linked remuneration for corporate officers
Not applicable.

(5) Status of the principal business office, and business offices where Specially Permitted Businesses for Qualified Institutional Investors, etc. ("SPBQII") are operated

Name	Location	Number of Corporate officers and employees

Principal Business Office	c/o H.I.G. Capital L.L.C. 1450 Brickell Avenue 31st Floor Miami, FL 33131 USA	0
Registered Office	c/o The Corporation Trust Company Corporation Trust Center 1209 Orange Street Wilmington, New Castle County Delaware 19801, USA	0
Total <u> 2 </u> locations		Total <u> 0 </u>

(6) Status of external auditing

Name or business name of the certified public accountant or auditing firm	Details of auditing

(Note)

1. Operational status of business

(2) Types of businesses currently being operated

In relation to businesses currently under operation, **(1)**enter "private placement" if they include businesses relating to acts specified under FIEA Article 63(1)(i); **(2)**enter "investment management" if they include those relating to acts specified under (ii) of the same Paragraph; **(3)**if they include those specified under the provisions of Article 17-13(2) of the Enforcement ordinance of the Financial Instruments and Exchange Act as businesses that especially require the protection of investors among those specified under (9) of the same Article, please indicate thus; and **(4)**if there are other businesses, please enter the types of such businesses. In addition, if there have been changes in such businesses during the term, please indicate them.

(3) Overview of business operations in the current term

Please give an overview of the business activities, business performance, and important events that have affected operating performance during the current term.

(4) Status of corporate officers and employees

① Number of corporate officers and employees

Enter the numbers of corporate officers and employees (limited to corporate officers and employees engaged in SPBQII; the same applies in ② below) as

at the end of the current term.

② Status of corporate officers

Create a table and indicate all corporate officers as at the end of the current term. Note, however, that foreign corporations do not need to indicate representatives in Japan (i.e., persons specified under FIEA Article 63(7)(i)(d)).

③ Status of performance-linked remuneration for corporate officers

If remuneration, etc. (meaning the remuneration, bonus or other property benefit provided from the company as compensation for execution of operation, which is pertaining to the latest business year, or whose amount of paid or expected to be paid has been clarified in the latest business year (excluding those indicated in the business reports for any business years prior to the latest business year); hereinafter the same applies in ③) for corporate officers includes performance-linked remuneration (meaning remuneration, etc. calculated based on an indicator related to profits accrued by transactions performed as management of investment assets; hereinafter the same applies in ③), indicate the following.

- (a) If a policy regarding the decision of payment rate for performance-linked remuneration and other remuneration is determined, indicate the details.
- (b) Provide the indicator related to performance-linked remuneration, reason for selecting the indicator, and method for determining the performance-linked remuneration.
- (c) Indicate the total amount of performance-linked remuneration, its ratio to officer's remuneration and number of covered officers for each category of directors (excluding supervisory committee members and outside directors), supervisory committee members (excluding outside directors), company auditors (excluding outside company auditors), executive officers, and outside officers.
- (d) Provide prospects and achievements of the indicator related to performance-linked remuneration. If all or part of remuneration, etc. is non-monetary remuneration, indicate the details.

(5) Status of the principal business office, and business offices where SPBQII are operated

Enter information about the principal business office, as well as each of the business offices where SPBQII are operated ("business offices, etc." hereafter in (5)). In addition, if there have been additions or abolitions of business offices, etc., or changes in the names or addresses of business offices, etc. during the term, please indicate them.

(6) Status of external auditing

Provide relevant information in this section if you have your financial statements externally audited by certified public accountants or auditing firms at least once every year.

Indicate whether the audits are statutory or voluntary, and describe specifically and succinctly the details of the audit results in the "Details of auditing."

(7) Status of the fund (excluding Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

Names of the Invested Business Equity	H.I.G. Middle Market LBO Fund IV, L.P.	
Details of the Invested Business		
Types of the Invested Business Equity	Rights based on laws and regulations of a foreign state	
Location of the accounts into which investment money is paid		
Flow of funds		
Duration		
Status of investors	Types of investors	Number of investors
	Qualified Institutional Investors ("QIIs")	2
	of whom individuals	0
	Investors other than QIIs	0
	of whom individuals	0
	Total	2
Amount of investment by QIIs and its ratio	Amount of investment	yen
	Ratio of investment	%
If persons specified under the items of Article 233-3 are	Existence of persons specified under the items of Article 233-3 ("yes" or "none")	

among the counterparty	Status of audits	Name or business name of the certified public accountant or auditing firm	
		Details of audits	

(Note)

1. Create a table and provide information for each of the Invested Business Equity regarding securities equivalents related to FIEA Article 2(2)(v) or (vi). Note, however, that you are only required to provide information in the "Names of the Invested Business Equity," "Types of the Invested Business Equity" and "Status of investors" for securities equivalents relating to (v) or (vi) of the same paragraph in which only professional investors invest.

Please indicate securities equivalents relating to (v) or (vi) of the same paragraph that were privately placed in the past and the expirations of whose duration are set in the current term or later, even if there has been no private placement during the current term.

2. This table must be created based on the end of the current term as the basis. If the accounting period of the fund (referring to assets into which investment or contribution has been made by persons who own securities equivalents relating to FIEA Article 2(2)(v) or (vi); the same applies in 6) and the term of the notifier of SPBQII do not match, make entries based on figures at the end of the last accounting period that came before the end of the current term.
3. In the "Details of the Invested Business" row, enter specific details of businesses that will manage the money and other assets being invested or contributed.
4. Select and enter, in the "Types of the Invested Business Equity" column, from "Partnership contract under the Civil Code," "Silent partnership contract," "Investment Limited Partnership contract," "Limited Liability Partnership contract," "Membership rights of an incorporated association," "Rights based on laws and regulations of a foreign state" and "Other rights." Provide specific details if you select "Other rights." Please also specify the names of laws the rights are based on and their key details if you select "Rights based on laws and regulations of a foreign state."
5. In "Location of the accounts into which investment money is paid," indicate names of the countries or territories where accounts into which customers pay their investment money are located.
6. In the "Flow of funds" section, indicate the names of business or names and roles of persons responsible for transferring, sending, managing or storing money related

to the fund.

7. In the "Ratio of investment" row under "Amount of investment by QIIs and its ratio" section, indicate the percentage of the invested amount by QIIs out of the total invested amount.
8. In the "Existence of persons specified under the items of Article 233-3" column: Specify "yes" in the case of private placement of Invested Business Equity with persons specified under the Paragraphs of Article 233-3 as the counterparty, or management of money and other assets invested or contributed by persons other than QIIs; otherwise enter "none."
9. Indicate whether the external audits are statutory or voluntary and describe specifically and succinctly the details of the audit results in the "Details of audits."
10. If there are circumstances that need reporting but do not fit anywhere in this table, you can indicate this using similar forms within such a scope that they do not cause misunderstanding.

(7–2) Status of the fund (limited to Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.)

Not applicable

Names of the Invested Business Equity		
Details of the Invested Business		
Types of the Invested Business Equity		
Location of the accounts into which investment money is paid		
Flow of funds		
Duration		
Status of investors	Types of investors	Number of investors
	Qualified Institutional Investors ("QIIs")	
	of whom individuals	
	Investors other than QIIs	

		of whom individuals	
	Total		
Amount of investment by QIIs and its ratio	Amount of investment		yen
	Ratio of investment		%
If persons specified under the items of Article 233-3 are among the counterparty	Existence of persons specified under the items of Article 233-3 ("yes" or "none")		
	Status of audits	Name or business name of the certified public accountant or auditing firm	
		Details of audits	

2. Status of accounts

Notifier is required to create balance sheets and profit and loss statements.

If the notifier is a corporation other than large companies prescribed under Article 2(vi) of the Companies Act (Act No. 88 of 2005), it is not required to submit profit and loss statements, but it is required to include net profit/loss in the balance sheets.

If the notifier has made its notification as a member of a partnership, etc., that does not have judicial personality, it is required to prepare balance sheets and profit and loss statements of the partnership, etc. However, partnerships, etc., other than those that have booked 500 million yen or more in investment money, etc. or those that have booked a total 20 billion yen or more in the liabilities section in the balance sheet for the last fiscal year do not need to prepare a profit and loss statement but are required to include net profit/loss in the balance sheets.

Notifiers who are individuals are not required to prepare balance sheets or profit and loss statements.

H.I.G. Middle Market Advisors IV, LLC
Balance Sheet
December 31, 2025

Assets

Cash and cash equivalents	\$	110,962
Due from affiliates		117,402
Investments		191,951,501
Total assets		<u><u>192,179,866</u></u>

Liabilities and partners' capital

Liabilities

Due to affiliates		260,997
Accrued performance allocation compensation		144,863,643
Total liabilities		<u><u>145,124,639</u></u>

Commitments and contingencies

Partners' capital

Partners' capital		47,055,226
Total partners' capital		<u><u>47,055,226</u></u>
Total liabilities and partners' capital	\$	<u><u>192,179,866</u></u>

H.I.G. Middle Market Advisors IV, LLC
Income Statement
For the Year Ended December 31, 2025

Revenues

Performance allocation-based income	\$ 121,283,792
Total revenues	121,283,792

Expenses

Performance allocation compensation	88,565,841
General, administrative and other	68,094
Total expenses	88,633,934

Investment income

Interest and other	4,180
Total other income	4,180

Income before provision for taxes

Provision for taxes	2,965
Net income	\$ 32,651,073