



April 17, 2026

Subject: Notice of Fuel Surcharge Implementation - Effective April 27, 2026

Dear Valued Nichiha USA Customer,

We are writing to inform you of **an important revision to the letter dated April 16, 2026** referencing our shipping terms. Effective **April 27, 2026**, Nichiha USA will implement a **zone-based Fuel Surcharge** on new orders. Nichiha Sales Order Acknowledgements will include the surcharge.

**Why We Are Implementing This Fuel Surcharge**

Rising diesel costs have placed significant upward pressure on our outbound freight expenses. Rather than absorbing these costs indefinitely, we are introducing a surcharge that is tied to increased fuel prices.

**How the Surcharge Works**

Rates are assigned based on your shipping region (ship-to address), which reflects the actual distance and fuel costs incurred to deliver your orders. Three zones have been established as follows:

Zone	Region	Surcharge Rate*
Zone A	Pacific and Canada	2.0% of invoice
Zone B	Midsouth / Northeast	1.25% of invoice
Zone C	Midwest / Southeast	0.75% of invoice

**Key Details**

- Rates shown will absorb current diesel price levels up to \$6.40/gallon per the EIA national average.
- Rates may be updated based on changes in the EIA national average diesel price.
- The surcharge applies while diesel remains above \$4.00/gallon for a 30-day period.
- The surcharge will appear as a separate line item on your invoice (e.g., Fuel Surcharge - Zone C: 0.75% of Invoice).

**Upcoming Price Adjustment**

In addition to the fuel surcharge, please be advised that Nichiha USA will be implementing a general price increase effective July 1, 2026. Details and specific product adjustments will be communicated to you separately in advance of that date.

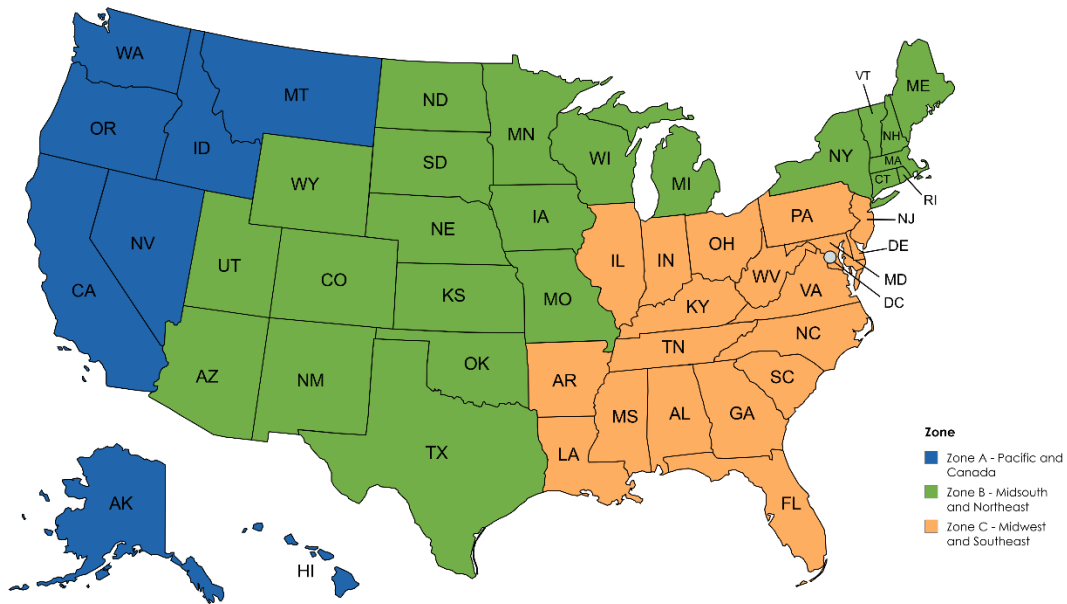
**Questions or Concerns**

We recognize that cost increases are never welcome news, and we want to be as transparent as possible about the factors driving these changes. If you have questions about your zone classification or how the surcharge will apply to your account, please don't hesitate to reach out to your Nichiha sales representative or contact us directly. We appreciate your continued partnership and look forward to supporting your business.

Sincerely,  
Vice President of Sales and Marketing,  
Michael Cobb  
Nichiha USA, Inc.

**Supplemental Information for Fuel Surcharge Implementation**

- This letter and supplemental information replace the notice dated April 16, 2026.
- Please be advised that fuel surcharges will apply to all new orders beginning April 27, 2026. Orders placed prior to April 27, 2026 will not receive the surcharge.
- The map below indicates the states in each of the Zones for calculating the surcharge.



Created with mapchart.net