

March 11, 2022

Kawasaki Dealers,

Current market conditions are changing faster than expected, and we are working to supply more Kawasaki units for your customers. Demand for Kawasaki models has been growing rapidly, and we have substantially increased unit shipments to dealers over the previous year. Quicker turns however have resulted in even lower dealer inventories, challenging our levels of customer service.

More so, global factors are directly influencing the cost of Kawasaki products. Pricing is generally being affected daily in these three areas:

- **Raw material:** including semiconductors, steel, aluminium and energy
- **Skilled labour:** including increasing wages due to inflation and low supply
- **Shipping:** including sourcing containers, shipping routes and disruptions

Though we attempt to minimise these effects, an increase of MSRP is inevitable. This is not ideal news, and is a reality of the global market. We planned to delay price increases until the introduction of 2023 models, however we are forced to advance these changes to April 1, 2022. This will affect 2022 models that are invoiced from April 1 onwards.

CKM will honour the original invoice amount for all existing retail contracts.

CKM will be updating the Kawasaki.ca website on April 1, 2022 at 9:00 EDT to ensure consumers are aware of the new MSRP.

Kawasaki is ensuring investment in infrastructure for future models and to achieve further growth with our dealers. The Kawasaki Group recognises North America as its most important market, with new production capacity in Mexico and the USA scheduled to boost volume in mid-2023 including more models that are suitable for Canadian riders.

We thank you and your staff immensely for your understanding as we adapt to changes in the global market conditions.

Let the Good Times Roll

Keisuke “Kai” Goto

President, CKM