

April 12th, 2025

Letter From the Zenty President On Tariffs



Dear Valued Customer,

As we've all been closely following the geopolitical developments that continue to shape global markets, we want to assure you that we are actively planning and adapting to this ever-changing landscape. While current events pose challenges, we view this as a short-term hurdle in our long-term growth strategy, and we are committed to navigating it thoughtfully.

In response to the recent increase in U.S. tariffs on Chinese imports, we've implemented a comprehensive operational and risk mitigation plan designed to maintain continuity, minimize disruption, and keep our pricing competitive:

Supplier Diversification (Long-Term)

We have thoroughly evaluated the possibility of collaborating with our current suppliers to shift production capacity to regions such as Taiwan, Thailand, and the Philippines. In addition, we are actively seeking alternative suppliers in these areas. Our due diligence process has focused on key factors including product quality, manufacturing capacity, lead times, compliance with U.S. regulations, and overall cost efficiency. As a result, we are in the process of onboarding select partners from these regions to strengthen and diversify our supply chain.

Inventory Management & Pre-Tariff Stocking (Short-Term)

To minimize near-term disruption, we increased inventory levels ahead of the tariff changes and adjusted safety stock. This ensures continued product availability and uninterrupted order fulfillment for some time.

U.S.-Based Assembly (Long-Term)

We've begun evaluating opportunities to assemble products in the United States. This strategy would not only help mitigate tariff impact but also improve delivery times and support "Assembled in the USA" initiatives.

We wholeheartedly support the movement to bring manufacturing back to the U.S. and are proud to serve so many American businesses dedicated to supporting their own customers. That said, transitioning supply chains takes time, and the AV industry will continue to experience price volatility in the short term. These tariff increases will likely lead to higher prices industry-wide, as we enter a true period of supply and demand economics.

At J-Tech Digital and Zenty, we remain committed to working closely with our suppliers to provide high-quality products at the most competitive prices possible.

What to Expect Moving Forward

In the near future, we may need to introduce a "**Tariff Surcharge**" to account for these changes. If so, it will appear as a separate line item, ensuring our product pricing remains transparent and competitive. We've faced challenges before, and we've always emerged stronger, this will be no different. We thank you for your continued trust and support and encourage you to place your orders at www.zenty.com soon, before any surcharges are applied.

Together, we'll weather this storm, and come out even better prepared for the next.

Warm regards,

Jeff J. Wang, Ph.D.

CEO & Founder

J-Tech Digital INC