

JCPENNEY ACCELERATES ITS EXPANSION IN HOME SERVICES BY TESTING REPLACEMENT AND REMODELING PROGRAMS

Test stores feature service displays for HVAC, bathroom remodeling, home water solutions and more

PLANO, Texas – (March 13, 2017) – As homeowners continue to invest a larger percentage of their disposable income on home upgrades, JCPenney [NYSE: JCP] is capitalizing on the strong housing market by launching JCPenney Home Services™ this month. By partnering with the industry’s leading manufacturers and service providers, such as Samsung and Trane®, JCPenney Home Services is planning to test six programs in select markets to establish its relevance and appeal among shoppers. These programs will provide turn-key services for heating and cooling systems, bathroom remodeling, quick ship and installed blinds, whole home water solutions and awnings, as well as easy-to-install smart home devices.

“With the resurgence of the housing market, consumers are spending more than \$300 billion annually to upgrade their homes since nearly two-thirds of the nation’s homes are over 30 years old.* There is a tremendous opportunity to capture additional revenue and minimize our dependence on apparel by catering our services to female homeowners who represent over 70 percent of our loyal customer base, and make the primary decisions regarding any home renovations,” said Marvin Ellison, chairman and chief executive officer of JCPenney. “These are categories that JCPenney offered in its assortment many years ago, and we believe the timing is right to re-enter home services in order to acquire available market share and differentiate our business from our traditional competitors and pure e-commerce retailers.”

Each program will be presented as an informative, compact display located within the home department in approximately 100 stores this spring, with services and marketing varying by location. The Company has also launched a digital storefront at jcpennyhomeservices.com, where users can shop the range of professional services offered and schedule an in-home consultation. An authorized contractor will then determine the scope of the job and provide an estimate for the total cost. JCPenney will introduce a JCPenney Home Services credit card this summer, enabling customers to take advantage of attractive promotional financing offers.

Established homeowners investing in older homes look to nationally recognized, trusted brands to help with their home improvement plans, which is why JCPenney has chosen to partner with some of the leading providers in each industry for installation and service. Customers will have the peace of mind that their project is completed to their total satisfaction, as these brands employ authorized installers who are experienced, licensed and insured. The Company is leveraging her confidence in JCPenney to deliver fast and efficient improvements from a retail brand she has long trusted to furnish her family’s home.

“JCPenney has the unique competitive advantage of a strong female customer base who has a vision for the home upgrade she wants, and will research various options and companies that offer a high level of quality and service. Much like our successful return to major appliances, we will pursue these new home services initiatives using the same multimarket test-and-learn approach,” Ellison added. “Home services presents a low-risk opportunity to drive sales with minimal investment in inventory and capital resources since we are partnering with the industry’s leading providers for service and installation.”

Living Smarter at Home

Smart home technology is surging in popularity as consumers are finding more convenience, safety and security in connected devices, as well as discovering energy savings with automation. One-third of U.S. homes have at least one connected device today and within four years, household penetration is expected to increase up to 60 percent.**

JCPenney has chosen to pilot a compelling selection of smart home technology in select stores this spring. A unique category addition to the home department, JCPenney has partnered with the industry's leading brands like Samsung to provide simple smart home automation. With Samsung SmartThings, consumers can control and automate lighting, cameras, thermostats, door locks and more, from the iOS or Android SmartThings app or supported voice assistants. By offering shoppers the most intelligent technology available, JCPenney is helping to make customers' homes smarter, safer and more comfortable.

JCPenney Home Services complements the soft and hard home furnishings available at JCPenney, including major appliances, furniture and flooring. A popular destination for ready-made curtains, blinds, shades and decorative hardware, JCPenney has also offered custom design and installation of in-home window treatments for nearly 60 years. This service is available today in more than 350 locations.

For historical images of home services at JCPenney, please contact DeGolyer Library, Southern Methodist University at degolyer@smu.edu.

For current store images of the home department, please visit:

http://www.jcpnewsroom.com/news-releases/2017/0313_expands_home_services.html

* John Burns Real Estate Consulting and the Harvard Joint Center for Housing Studies

** Statista, market research firm

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About JCPenney:

J. C. Penney Company, Inc. (NYSE:JCP), one of the nation's largest apparel and home furnishings retailers, is on a mission to ensure every customer's shopping experience is worth her time, money and effort. Whether shopping jcp.com or visiting one of over 1,000 store locations across the United States and Puerto Rico, she will discover a broad assortment of products from a leading portfolio of private, exclusive and national brands. Supporting this value proposition is the warrior spirit of over 100,000 JCPenney associates worldwide, who are focused on the Company's three strategic priorities of strengthening private brands, becoming a world-class omnichannel retailer and increasing revenue per customer. For additional information, please visit jcp.com.

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