

JCPENNEY EMERGES INTO B2B WITH SOLUTIONS THAT CATER TO THE HOSPITALITY AND PROPERTY MANAGEMENT INDUSTRIES

Retailer equipped to supply linens, towels, mattresses, window treatments and major appliances to hotels, vacation rentals and multi-unit properties

PLANO, Texas – (May 18, 2017) – As JCPenney [NYSE: JCP] continues to diversify and explore new business opportunities, the Company is expanding upon its successful home refresh growth initiative by offering business-to-business solutions for operators and facility managers in the hotel and lodging industry, as well as the multi-unit residential industry. The Company has a long history of designing and sourcing high-quality home textiles, and with its recent re-entry into the [major appliance market](#) in 2016, JCPenney is poised to affordably accommodate hotels, innkeepers, property management companies and more to fulfill their commercial and bulk purchase needs.

“While we continue to take steps to improve our apparel strategy and assortment, we see our home refresh initiative as a great vehicle for growth and differentiation. The U.S. hospitality industry represents approximately \$200 billion* annually and a significant opportunity for JCPenney to gain market share and drive increased revenue per customer with major appliances and a renewed focus on soft home goods,” said Marvin R. Ellison, chairman and chief executive officer of JCPenney. “Our entry into the B2B program reinforces our home refresh initiative, while providing new and innovative ways to achieve sustainable growth and profitability. The idea first stemmed from hotel operators who were already ordering large volume purchases of bedding, bath and window treatments from JCPenney.com. We are staffing an outside sales force with experience and expertise to engage targeted businesses. Our broad assortment of private brands in soft home give us a unique cost and value advantage in this new and exciting space.”

The JCPenney B2B program utilizes the Company’s nationwide fleet of brick-and-mortar stores and its vast supply chain network to meet the needs of small business owners and connect with local communities. JCPenney offers an important competitive advantage by being one of the most experienced retail sourcing organizations in the industry. By hedging raw materials, working with a strong supplier base in over 30 countries and implementing a rapid production cycle time, JCPenney gives business clients the assurance that they are receiving the best quality products when they need them.

According to a recent survey, there are roughly five million hotel rooms in more than 52,000 properties in the U.S. today.** Hotel rooms have one or two beds requiring multiple sets of sheets, blankets, pillows, towels and window treatments, which could be furnished with luxurious, yet durable linens from JCPenney Home™ or Royal Velvet®. JCPenney also stocks uniforms, scrubs and basic workwear, as well as major appliances, including large capacity washers, dryers, refrigerators and microwaves from leading industry brands. These appliances are used to furnish apartments, condos and townhomes managed by commercial property groups across the country.

Firming up Mattress Sales

The JCPenney B2B solution also provides custom window treatments, furniture and mattresses. Mattress sales have been so successful among traditional shoppers, the Company will be expanding its mattress showrooms to an additional 300 stores by early fall. This expansion will feature the industry’s leading brands such as Serta®, iComfort®, Sealy®, Stearns & Foster®, along with Beautyrest® and Tempur-Pedic® that will be available in over 500 JCPenney mattress showrooms chain wide. From firm

to ultra-plush, pillow top to memory foam, JCPenney has reorganized its mattress showrooms to help customers shop by comfort level and response has been overwhelming.

By working with JCPenney B2B solutions, small business owners and non-profit organizations will receive competitive discounts, bulk pricing, commercial credit offers and tax exemptions for eligible businesses. Business clients will also have the ability to customize their order with a dedicated team of B2B consultants specially trained in this area.

Businesses that are interested in learning more about the B2B solutions that JCPenney has to offer can email b2b-sm@jcp.com.

This release, along with other Company announcements, photos and videos are available for download at jcpnewsroom.com. Media and other stakeholders are encouraged to follow the Company's corporate Twitter handle using @jcpnews.

*STR, Inc. 2017 HOST Almanac

**2015 STR, Inc. census database

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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.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expect" and similar expressions identify forward-looking statements, which include, but are not limited to, statements regarding sales, gross margin, selling, general and administrative expenses, earnings and cash flows. Forward-looking statements are based only on the Company's current assumptions and views of future events and financial performance. They are subject to known and unknown risks and uncertainties, many of which are outside of the Company's control that may cause the Company's actual results to be materially different from planned or expected results. Those risks and uncertainties include, but are not limited to, general economic conditions, including inflation, recession, unemployment levels, consumer confidence and spending patterns, credit availability and debt levels, changes in store traffic trends, the cost of goods, more stringent or costly payment terms and/or the decision by a significant number of vendors not to sell us merchandise on a timely basis or at all, trade restrictions, the ability to monetize non-core assets on acceptable terms, the ability to implement our strategic plan including our omnichannel initiatives, customer acceptance of our strategies, our ability to attract, motivate and retain key executives and other associates, the impact of cost reduction initiatives, our ability to generate or maintain liquidity, implementation of new systems and platforms, changes in tariff, freight and shipping rates, changes in the cost of fuel and other energy and transportation costs, disruptions and congestion at ports through which we import goods, increases in wage and benefit costs, competition and retail industry consolidations, interest rate fluctuations, dollar and other currency valuations, the impact of weather conditions, risks associated

with war, an act of terrorism or pandemic, the ability of the federal government to fund and conduct its operations, a systems failure and/or security breach that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, legal and regulatory proceedings and the Company's ability to access the debt or equity markets on favorable terms or at all. There can be no assurances that the Company will achieve expected results, and actual results may be materially less than expectations. Please refer to the Company's most recent Form 10-K for a further discussion of risks and uncertainties. Investors should take such risks into account and should not rely on forward-looking statements when making investment decisions. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We do not undertake to update these forward-looking statements as of any future date.

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