

JCPenney Announces Strategic Realignment of its Senior Leadership Team

Company initiates personnel actions to streamline job functions and reduce expenses

PLANO, Texas – (March 2, 2018) – J. C. Penney Company, Inc. (NYSE: JCP) today announced the appointment of [Joe McFarland](#) as executive vice president and chief customer officer, a newly-expanded role that includes responsibility for merchandising, as well as leading all JCPenney store operations. To ensure the positive momentum of its merchandising transformation, Jodie Johnson has been promoted to head of merchandising for women’s, beauty and family footwear; and James Starke has been promoted to head of merchandising for men’s, children’s, home and jewelry, both reporting to McFarland. Additionally, [Therace Risch](#), will assume the combined titles of Chief Information Officer and Chief Digital Officer to reflect her added responsibility for omnichannel retail. As a result of this appointment, Mike Amend will be leaving the Company.

“Joe, Therace, Jodie and James are remarkable executive leaders who have demonstrated their ability to spearhead critical tasks and drive results and efficiencies along the way. Joe is a dedicated advocate for our associates, and knows first-hand how successful we can be when associates are empowered to deliver the best shopping experience possible. Jodie and James are credited for leading the turnaround of our merchandising strategy, and will continue to advance this effort by delivering the best assortment of style and value offered by any retailer. Appointing both Jodie and James to lead our merchant teams will ensure that we push merchandising decisions closer to the division heads and buyers for increased speed and efficiency. Furthermore, Therace understands the power of technology, and how it can significantly influence and enhance the way consumers shop and ultimately, be the point of differentiation on where they choose to buy,” said Marvin R. Ellison, chairman and chief executive officer for JCPenney. “By merging these critical retail functions under the oversight of four proven leaders, we can better align our operations to ensure every aspect of the business is focused on the customer experience.”

Home Office and Store Actions

As part of ongoing efforts to manage expenses, simplify operations and streamline workload in support of the Company’s long-term growth and profitability, approximately 130 Home Office positions were eliminated across various departments. Additionally, JCPenney recently restructured its group, regional, district and store support teams. This restructure eliminated bureaucracy, reduced support positions and reallocated store headcount to customer-facing positions. While the restructuring enabled the vast majority of impacted associates to assume a new role or leadership position within the stores organization, approximately 230 positions were subsequently eliminated. The annual cost savings generated from the home office and store reorganization are estimated at approximately \$20-\$25 million.

“As the Company continues to make progress on its strategic framework and implement new processes and organizational efficiencies, it is imperative that we maintain a thoughtful approach to managing

expenses, while effectively supporting the needs of the business,” added Ellison. “I would like to thank Mike Amend for his service with the Company and wish him well in his future endeavors. Through his hard work, JCPenney has advanced its omnichannel capabilities, laying the groundwork for further innovation and growth.”

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About JCPenney:

J. C. Penney Company, Inc. (NYSE: JCP), one of the nation’s largest apparel and home furnishings retailers, combines an expansive footprint of approximately 875 stores across the United States and Puerto Rico with a powerful e-commerce site, jcp.com, to connect with shoppers how, when and where they prefer to shop. At every customer touchpoint, she will get her Penney’s worth of a broad assortment of products from an extensive portfolio of private, exclusive and national brands. Powering this shopping experience is the customer service and warrior spirit of approximately 100,000 associates across the globe, all driving toward 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, cost of goods sold, 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 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-Q 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.