

JCPenney Unveils a New State of Arizona® this Back-to-School Season

Company's top private brand refreshed with new teen-inspired fashions

YouTube stars Brooklyn and Bailey McKnight to serve as brand ambassadors

PLANO, Texas – (July 12, 2018) – The first day of school is around the corner and JCPenney [NYSE: JCP] is uniquely positioned to help teens and kids find cool, relevant styles at an incredible value with Arizona Jean Co.®, the Company's leading private brand. Leveraging feedback from teen focus groups, JCPenney has completely remixed this heritage denim brand by incorporating more fast-fashion and trend-right pieces into the collection, revitalizing the in-store presentation and introducing new social channels aimed at engaging teens. To further entice Gen Z customers to discover the great style and value offered through Arizona, JCPenney has launched an exclusive partnership with popular teen influencers Brooklyn and Bailey McKnight, who will serve as Arizona brand ambassadors.

"Back-to-school is one of the most important times of the year for retail, and JCPenney is ready to win this season with our popular Arizona brand. One in three JCPenney customers buys Arizona, making it our largest private brand and a key traffic driver," said Jodie Johnson, senior vice president and head of merchandising for JCPenney. "We're really emphasizing the teen shopper in this brand refresh because we know that once the teen embraces Arizona, her younger siblings – and Mom – will follow. With exciting updates to Arizona, along with our new partnership with Brooklyn and Bailey, we are elevating our credibility with teens as a destination for fashionable looks at a great price."

Teens come into focus for Arizona

Arizona has always been known for its extensive assortment of quality denim offered in an array of fits, washes and finishes. This back-to-school season, JCPenney is seizing the opportunity to connect with a new generation of consumers by capturing feedback directly from the source. Over the past year, the Company hosted focus groups with real teen shoppers to gather their thoughts and opinions on fashion trends, what they wear to school and what details they look for when shopping for clothes and accessories. These insights were quickly applied to reflect more fashion within the brand and influenced changes to the silhouettes, fabrics and prints, as well as the overall shopping experience.

Prominently anchored with an all-new logo, the Arizona shop inside JCPenney stores now boasts a more inspirational shopping environment with updated lifestyle graphics and signage, as well as mannequin displays calling out top trends across multiple product categories in a one-stop shop. The Arizona presentation within juniors apparel enables teen girls to put an entire outfit together with complementary tops, jeans, shoes, handbags, accessories and fashion jewelry – readily available in one location.

The retailer is encouraging teens to express their individual style by showing how they wear Arizona fashion using #AZYouAre on social media. Recognizing the opportunity to share content that's socially meaningful, JCPenney launched dedicated Arizona Instagram and YouTube channels to connect followers with its youth-focused brand, and unveiled a mobile-first design for the Arizona landing page at JCPenney.com.

Double the fun with Brooklyn and Bailey

JCPenney has partnered with popular social media influencers Brooklyn and Bailey to promote Arizona's new look and inspire teens for the new school year. With over five million YouTube subscribers and over

three million <u>Instagram</u> followers, the identical twin teenagers post about fashion, beauty, friends and family to their loyal fan base.

Beginning tomorrow, shoppers will find life-size cut outs of both Brooklyn and Bailey in JCPenney stores across the country, along with signage calling out each girl's favorite pieces from the current Arizona collection. "Brooklyn's Pick" and "Bailey's Pick" will be updated seasonally in stores and at JCPenney.com so teens will be able to stay up to date on top trends from their favorite YouTube stars. As Arizona brand ambassadors, the teens will also host meet-and-greet events for fans inside select JCPenney stores in late July.

Later this month, Brooklyn and Bailey will unveil two custom-designed backpacks with curated Arizona product on their popular YouTube channel. Each backpack includes a custom-designed t-shirt, a dry shampoo pen from The Salon by InStyle®, mini samples from Sephora inside JCPenney and a piece of Arizona jewelry that represents each girl's unique aesthetic. The backpacks will be available beginning July 30 at JCPenney.com and through the JCPenney app for \$25 each.

"We love the Arizona brand because it represents the everyday teen. We're just average girls, like all of our followers, so partnering with JCPenney on Arizona, a brand that has something for everyone, was such an authentic fit," said Brooklyn and Bailey. "We are super excited to show all of our fans the amazing, affordable styles they can find from Arizona."

Giving back with Arizona

This back-to-school season, JCPenney is building on its signature partnership with the YMCA and helping to give teens across the country access to Y programming and resources that assist with college readiness. To encourage teens to support the Y, JCPenney will launch a compelling social content series on the @ArizonaJeanCo Instagram and YouTube channels on Aug. 1, showcasing the real life stories of four teens that have benefitted from their involvement in the Y.

JCPenney will donate \$1 to the Y for every Instagram post that uses #AZYouGive from Aug. 1-31, up to \$100,000. Additionally, from Aug. 1-15, in-store back-to-school shoppers can round up their purchase to the nearest dollar and the difference will be donated to the Y. Customers can also donate a dollar amount of their choice to the Y at the register using a barcode found on all back-to-school marketing collateral and in the JCPenney app from Aug. 1-15.

To download the news release, video, store b-roll and back-to-school related images, please visit: https://www.jcpnewsroom.com/news-releases/2018/0712_unveils_new_state_of_arizona.html

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About JCPenney:

J. C. Penney Company, Inc. (NYSE: JCP), one of the nation's largest apparel and home retailers, combines an expansive footprint of over 860 stores across the United States and Puerto Rico with a powerful ecommerce site, jcp.com, to deliver style and value for all hard-working American families. At every touchpoint, customers will discover stylish merchandise at incredible value from an extensive portfolio of private, exclusive and national brands. Reinforcing this shopping experience is the customer service and warrior spirit of approximately 98,000 associates across the globe, all driving toward the Company's mission to help customers find what they love for less time, money and effort. For additional information, please visit jcp.com.