

JCPENNEY INTRODUCES TOY SHOPS IN ALL STORES

Toy assortment at JCPenney.com will continue to multiply in preparation for holiday season

PLANO, Texas – (July 13, 2017) – As JCPenney [NYSE: JCP] continues to explore new merchandise categories and differentiate its business, the retailer is opening toy shops in all of its brick-and-mortar locations with a significantly expanded assortment available at JCPenney.com. Strategically adjacent to the Disney Collection inside JCPenney, the shops feature an extensive selection of toys for kids of all ages including dolls, action figures, racing cars, arts and crafts, board games, plushes and learning sets from leading brands such as Hasbro®, Mattel®, Playmobil® and Fisher Price®, to name a few. To further reinforce its commitment to this playful category, JCPenney has doubled its online assortment of toys over the last year with plans to expand even more by the holiday shopping season.

“JCPenney has a nostalgic history of selling sought-after toys in our early Christmas catalogs, so we brought toys back last holiday season to see if they would resonate once again. We were extremely pleased by customer response and confidently made the decision to grow our toy assortment in stores and at JCPenney.com. We know that shoppers buy toys year-round and by creating a fun, inviting toy shop, with some of the biggest brands and hottest products, we will entice families to shop and spend more at JCPenney,” said John Tighe, executive vice president and chief merchant for JCPenney. “Toys are an exciting product category for JCPenney and an in-store attraction that will drive traffic and sales as we continue to focus on increasing revenue per customer.”

The toy shop inside JCPenney will help kids dream, imagine and explore with some of the most popular toys for toddlers, preschoolers and big kids, such as Barbie®, Shopkins™, Hatchimals®, NERF®, Hotwheels® and Star Wars™. Located within the children’s department, many of the shops feature an area that kids can play with select toys that will be available for them to try out and enjoy while in the store.

Discover More at JCPenney.com

As JCPenney continues to focus on omnichannel advancements, the retailer has doubled its toy assortment at JCPenney.com since last year. Based on customer feedback, the team added new product categories, including bicycles, video games, outdoor trampolines, costumes and science kits, while sorting the product by age group. As science, technology, engineering and math tools continue to evolve in schools, JCPenney is adding an expansive assortment of toys this fall designed to help kids combine STEM principles with interactive play. Shoppers can expect an even larger toy assortment available at JCPenney.com in time for the holiday shopping season.

“JCPenney realizes the importance of having a significantly expanded product selection at JCPenney.com to compete with pure e-commerce rivals, which is why we are so proud of both our product and category expansions over the past 12 months. The toy industry continues to grow and JCPenney intends to capture a significant portion of this \$20 billion industry* with our new toy shops in stores and our impressive selection at JCPenney.com,” added Tighe.

*Toy Association

For current store images of the new toy shops, please visit:

http://www.jcpnewsroom.com/news-releases/2017/0713_launches_toy_shops.html

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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 consumer spending, store traffic, sales and market share. 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-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.

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