

Item 7.01 Regulation FD Disclosure.

J. C. Penney Company, Inc. (the “Company”) regularly engages in discussions with respect to potential strategic transactions to enhance the Company’s capital structure. During the course of recent discussions with a creditor, the Company provided such creditor with certain non-public information subject to a non-disclosure agreement. The Company has decided to discontinue discussions with such creditor as the parties were unable to reach final terms, although the Company intends to engage in future discussions with respect to its capital structure if terms are favorable to the Company.

Pursuant to the terms of its non-disclosure agreement, the Company is now disclosing such non-public information (the “Cleansing Material”) in Exhibit 99.1 attached hereto. The Cleansing Material was prepared by the Company solely to facilitate a discussion with a creditor and was not prepared with a view toward public disclosure and should not be relied upon to make an investment decision with respect to the Company. The Cleansing Material should not be regarded as an indication that the Company or any third party consider the Cleansing Material to be a reliable prediction of future events, and the Cleansing Material should not be relied upon as such. The Cleansing Material includes certain values for illustrative purposes only and such values are not the result of, and do not represent, actual valuations, estimates, forecasts or projections of the Company or any third party and should not be relied upon as such. Neither the Company nor any third party has made or makes any representation to any person regarding the accuracy of any Cleansing Material or undertakes any obligation to publicly update the Cleansing Material to reflect circumstances existing after the date when the Cleansing Material was prepared or conveyed or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying the Cleansing Material are shown to be in error.

The Company has included statements in this Current Report on Form 8-K that may constitute 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. 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. While the Company intends to continue to seek opportunities to improve its capital structure if opportunities are favorable or are otherwise available on acceptable terms, no assurance can be given that any such transaction will occur. Please refer to the Company’s Quarterly Report on Form 10-Q for the quarter ended November 2, 2019 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 Current Report on Form 8-K 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.

The information disclosed in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibit 99.1 [Cleansing Material](#)

Exhibit 104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J. C. PENNEY COMPANY, INC.

By: /s/ Bill Wafford

Bill Wafford

Executive Vice President, Chief Financial Officer

Date: March 9, 2020

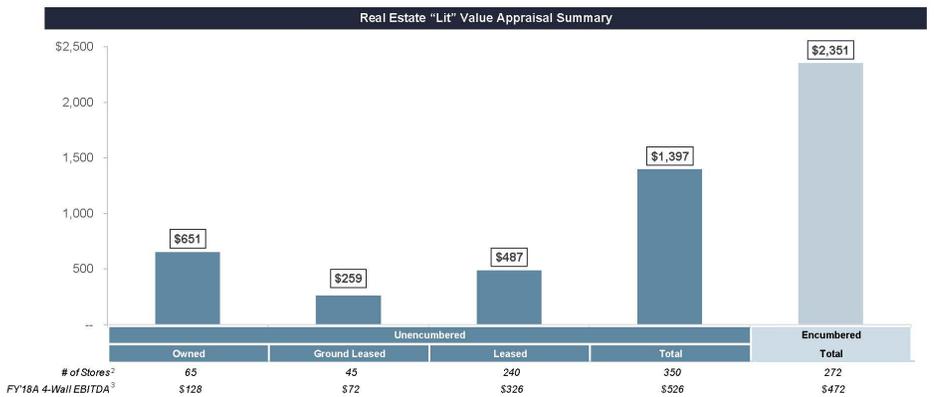
CONFIDENTIAL DRAFT
SUBJECT TO F.R.E. 408
FOR DISCUSSION PURPOSES ONLY

Real Estate Appraisal Summary — “Lit” Value

(\$ in millions)

The Company has appraised (i) 266 encumbered open owned stores / ground leases, (ii) 6 encumbered owned warehouses, and (iii) 350 unencumbered open owned stores / ground leases / operating leases

- The Company has not yet appraised (i) 6 encumbered open stores / leases, (ii) 5 unencumbered leased distribution centers, and (iii) 224 unencumbered open owned stores / ground leases / operating leases based on a variety of factors, namely lease term, square footage, and / or mall grade¹
 - Of such stores, encumbered properties generated ~\$9 million of 4-wall EBITDA in FY'18 and unencumbered properties generated ~\$182 million of 4-Wall EBITDA in FY'18



Source: Company, Third-Party Appraisal.

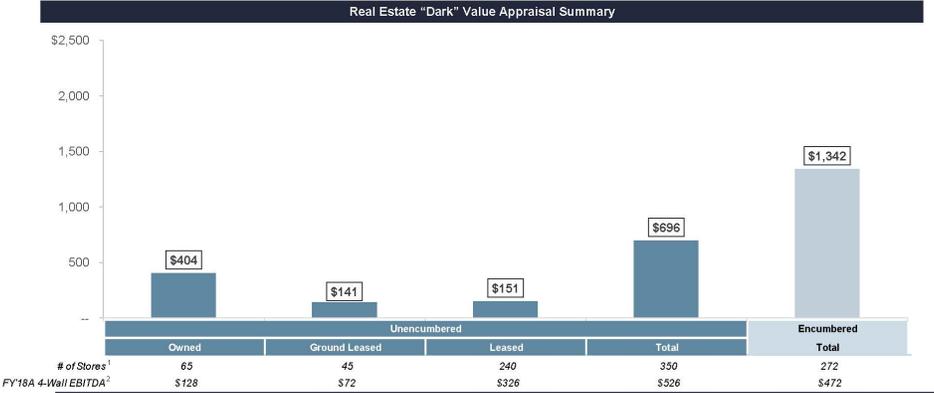
Note: Real estate valuations are preliminary draft values and subject to material further change.

1. The Company has also not appraised any owned or leased properties that are closed.
2. Store count excludes properties that were not appraised.
3. 4-Wall EBITDA excludes corporate overhead and other fixed costs; figures exclude 4-Wall EBITDA from properties that were not appraised (i.e., ~\$191 million of 4-Wall EBITDA).

Real Estate Appraisal Summary — “Dark” Value

(\$ in millions)

Relative to estimated “lit” values of ~\$1.40 billion and ~\$2.35 billion as summarized on the prior page, the Company’s unencumbered and encumbered appraised properties have estimated “dark” values of ~\$700 million and ~\$1.34 billion, respectively



Source: Company, Third-Party Appraisal.
 Note: Real estate valuations are preliminary draft values and subject to material further change.
 1. Store count excludes properties that were not appraised.
 2. 4-Wall EBITDA excludes corporate overhead and other fixed costs; figures exclude 4-Wall EBITDA from properties that were not appraised (i.e., ~\$191 million of 4-Wall EBITDA).