

Kohl's Invests in Stores and Opens Fifth E-Commerce Fulfillment Center to Enhance Omnichannel Capabilities

MENOMONEE FALLS, Wis., August 22, 2017 – <u>Kohl's</u> (NYSE: KSS) today announced details of the company's strategic plans to invest in its store base and enhance the capabilities of its e-commerce fulfillment network. During the third quarter, Kohl's will open four small format stores and its fifth e-commerce fulfillment center. The company continues to make progress on its initiatives to optimize and rightsize select Kohl's stores across the country.

"Our stores remain at the core of our omnichannel strategy and we will continue to invest in them by opening smaller formats, rightsizing and optimizing our selling space and working to ensure that shopping in our stores is an engaging and inspiring experience for our customers," said Kevin Mansell, Kohl's chairman, chief executive officer and president. "We have set a goal to be the best-in-class omnichannel retailer and opening our fifth e-commerce distribution center will support the delivery of online orders faster and more efficiently to customers nationwide."

Kohl's is enriching its omnichannel capabilities and leaning into its store base of more than 1,100 stores in 49 states through the following initiatives.

New E-commerce Fulfillment Center

Kohl's will begin shipping from its fifth e-commerce fulfillment center in Plainfield, Ind., this month. The 937,000square-foot facility will be dedicated to processing, filling and shipping <u>Kohls.com</u> orders. The facility is equipped with state-of-the-art technology to maximize productivity and throughput.

In addition to the new Plainfield facility, Kohl's operates e-commerce fulfillment centers in San Bernardino, Calif.; Edgewood, Md.; Monroe, Ohio and DeSoto, Texas. All Kohl's stores nationwide also serve to fulfill and ship Kohls.com orders.

Opening Small Format Stores

In October 2017, Kohl's will open four small format, 35,000-square-foot stores, adding to the eight small format Kohl's stores opened in 2016. The four new stores will be located in the following cities:

- North Smithfield, R.I.
- Blue Ash, Ohio
- East Windsor, N.J.
- Montebello, Calif.

Small format stores are flexible and efficient, with fixtures that can be adapted by department and for localized merchandise and assortments. Kohl's customers can browse and purchase the full selection of <u>Kohls.com</u> merchandise via in-store Kohl's Kiosks and have merchandise shipped to their home free of charge. Like the rest of Kohl's store fleet, these stores further serve as pick up locations for customers who opt to buy online and pick up in store.

Optimizing and Rightsizing Store Square Footage

In support of efforts to enhance store profitability and improve customer experience, approximately 300 Kohl's stores have been optimized with new interior layouts – becoming operationally smaller through balancing inventory and adjusting fixtures. By the end of 2017, nearly half of Kohl's stores will be operationally smaller.

In 2017, Kohl's further plans to rightsize the physical square footage of Kohl's Warner Robbins, Ga., and Fort Smith, Ark., stores. Kohl's Warner Robbins store will be reduced from an 89,000 square-foot store to a 62,000 square-foot store. Kohl's Fort Smith store will be reduced from an 87,000 square-foot store to a 62,000 square-foot store.

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In spring 2018, Kohl's will open a new single-level 55,000 square-foot store in Greenfield, Wis. The store will relocate from the current two-level 85,000 square-foot store in nearby Southridge Mall. Earlier in 2017, Kohl's relocated its 80,000 square-foot Charlotte, N.C., store to a nearby 55,000 square-foot location.

By optimizing and rightsizing stores based on customer and inventory needs, Kohl's stores are able to operate more efficiently and provide a more engaging customer experience.

Cautionary Statement Regarding Forward-Looking Information

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Kohl's intends forward-looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," "plans," or similar expressions to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause Kohl's actual results to differ materially from those anticipated by the forward-looking statements. These risks and uncertainties include, but are not limited to, those described in Item 1A in Kohl's Annual Report on Form 10-K, which is expressly incorporated herein by reference, and other factors as may periodically be described in Kohl's filings with the SEC.

About Kohl's

Kohl's (NYSE: KSS) is a leading omnichannel retailer with more than 1,100 stores in 49 states. With a commitment to inspiring and empowering families to lead fulfilled lives, Kohl's offers amazing national and exclusive brands, incredible savings and an easy shopping experience in our stores, online at <u>Kohls.com</u> and on Kohl's mobile app. Throughout its history, Kohl's has given nearly \$600 million to support communities nationwide. For a list of store locations or to shop online, visit <u>Kohls.com</u>. For more information about Kohl's impact in the community and how to join our winning team, visit <u>Corporate.Kohls.com</u>.

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