

The TJX Companies, Inc.

Financial Reconciliations

Explanation of Non-GAAP Financial Measures

The Company reports its financial results in accordance with generally accepted accounting principles in the U.S. (GAAP). However, management believes that certain non-GAAP financial measures used in managing the business may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods and between results in prior periods and expectations for future periods. Management believes that these non-GAAP financial measures can provide additional meaningful reflection of underlying trends of the business because they provide a comparison of historical information that excludes certain items that impact the overall comparability. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating the Company's performance.

The tables below provide supplemental non-GAAP financial data and corresponding reconciliations to GAAP financial measures. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

Table 1: Reconciliation of Q2 FY17 to Q2 FY18 Margins ⁽¹⁾

<u>FY17 Q2:</u>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY17 Q2 profit margin on a GAAP basis	11.6%	14.6%	13.0%	16.1%	4.1%
<i>Less impact of foreign currency ⁽²⁾</i>	<u>(0.5)</u>	-	-	<u>(3.3)</u>	<u>(1.2)</u>
FY17 Q2 adjusted profit margin ex-fx	<u>11.1%</u>	14.6%	13.0%	12.8%	3.0%
<u>FY18 Q2:</u>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY18 Q2 profit margin on a GAAP basis	10.7%	14.1%	12.2%	10.0%	3.6%
<i>Less impact of foreign currency ⁽²⁾</i>	<u>0.4</u>	-	-	<u>4.6</u>	<u>0.0</u>
FY18 Q2 adjusted profit margin ex-fx	<u>11.1%</u>	14.1%	12.2%	14.6%	3.6%

Note: Figures may not foot due to rounding.

(1) Profit margin is pre-tax profit margin for total TJX and segment profit margin for each of our business segments.

(2) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts year over year comparisons, therefore Q2 FY17 does not include an adjustment for translation.

Table 2: Reconciliation of FY17 to FY18 Estimated Margins ^{(1), (2)}

<u>FY17 Full Year Actual:</u>	Total TJX	Marmaxx	HomeGoods	TJX Canada	TJX International
FY17 profit margin on a GAAP basis	11.2%	14.1%	13.9%	13.0%	5.4%
<i>Debt extinguishment charge</i> ⁽³⁾	0.2				
<i>Pension settlement charge</i> ⁽⁴⁾	<u>0.1</u>				
FY17 profit margin on a GAAP basis	11.5%				
<i>Less impact of foreign currency</i> ⁽⁵⁾	<u>0.1</u>	-	-	<u>0.4</u>	<u>0.3</u>
FY17 adjusted profit margin ex-fx	11.5%	14.1%	13.9%	13.4%	5.7%
<u>FY18 Full Year Guidance:</u>					
FY18 estimated profit margin on a GAAP basis	11.2% - 11.3%	13.8% - 13.9%	13.5% - 13.6%	14.3%- 14.4%	4.8% - 4.9%
<i>Less estimated impact of foreign currency</i> ⁽⁵⁾	<u>(0.1)</u>	-	-	<u>0.0</u>	<u>(0.2)</u>
FY18 estimated adjusted profit margin ex-fx	11.1% - 11.2%	13.8% - 13.9%	13.5% - 13.6%	14.3% - 14.4%	4.6% - 4.7%

Note: Figures may not foot due to rounding.

(1) Profit margin is pre-tax profit margin for total TJX and segment profit margin for each of our business segments.

(2) FY18 figures are stated on a 53-week basis.

(3) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pre-tax loss of \$52 million on the early extinguishment of this debt.

(4) During FY17 the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a voluntary lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced Fiscal 2017 pre-tax income by \$31 million.

(5) Foreign currency includes the impact of translation as well as the mark-to-market adjustment of our inventory derivatives. Foreign currency translation only impacts year over year comparisons, therefore FY17 does not include an adjustment for translation.

Table 3: Reconciliation of FY17 to FY18 Estimated Earnings per Share

	FY		
	<u>FY17</u>	FY18 Full Year Guidance	
		<u>Low</u>	<u>High</u>
EPS from continuing operations	\$3.46	\$3.89	\$3.93
<i>Y/Y EPS Growth</i>		12%	14%
<u>Adjustments for items impacting comparability</u>			
<i>Debt extinguishment charge ⁽¹⁾</i>	<i>\$0.05</i>		
<i>Pension settlement charge ⁽²⁾</i>	<i>\$0.03</i>		
<i>Estimated 53rd week impact</i>		<i>(0.11)</i>	<i>(0.11)</i>
Adjusted EPS	<u>\$3.53</u>	<u>\$3.78</u>	<u>\$3.82</u>
<i>Adjusted Y/Y EPS Growth</i>		7%	8%

Note: Figures may not foot due to rounding.

(1) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pre-tax loss of \$52 million on the early extinguishment of this debt.

(2) During FY17 the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced Fiscal 2017 pre-tax income by \$31 million.

Table 4: Reconciliation of Q3 FY17 to Q3 FY18 Estimated Earnings per Share

	Q3		
	<u>FY17</u>	FY18 Q3 Guidance	
		<u>Low</u>	<u>High</u>
EPS from continuing operations	\$0.83	\$0.98	\$1.00
<i>Y/Y EPS Growth</i>		18%	20%
<u>Adjustments for items impacting comparability</u>			
<i>Debt extinguishment charge ⁽¹⁾</i>	<i>\$0.05</i>		
<i>Pension settlement charge ⁽²⁾</i>	<i>\$0.03</i>		
Adjusted EPS	<u>\$0.91</u>	<u>\$0.98</u>	<u>\$1.00</u>
<i>Adjusted Y/Y EPS Growth</i>		8%	10%

Note: Figures may not foot due to rounding.

(1) On October 12, 2016 the Company redeemed its \$375 million 6.95% notes prior to their scheduled maturity of April 15, 2019 and recorded a pre-tax loss of \$52 million on the early extinguishment of this debt.

(2) During FY17 the Company offered eligible, former TJX Associates who had not yet commenced receiving their pension benefit an opportunity to receive a lump sum payout of their vested pension benefit. The payment and settlement of these pension benefits to participants who accepted this offer resulted in a non-cash settlement charge which reduced Fiscal 2017 pre-tax income by \$31 million.