

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q**

(mark one)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended July 29, 2023

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 1-4908

The TJX Companies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

04-2207613

(I.R.S. Employer Identification No.)

770 Cochituate Road Framingham, Massachusetts

(Address of principal executive offices)

01701

(Zip Code)

(508) 390-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$1.00 per share	TJX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

The number of shares of registrant's common stock outstanding as of August 18, 2023: 1,144,080,554

The TJX Companies, Inc.
TABLE OF CONTENTS

PART I

<u>ITEM 1. Consolidated Financial Statements</u>	<u>3</u>
<u>Consolidated Statements of Income</u>	<u>3</u>
<u>Consolidated Statements of Comprehensive Income</u>	<u>4</u>
<u>Consolidated Balance Sheets</u>	<u>5</u>
<u>Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Consolidated Statements of Shareholders' Equity</u>	<u>7</u>
<u>Notes To Consolidated Financial Statements</u>	<u>9</u>
<u>ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
<u>ITEM 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>32</u>
<u>ITEM 4. Controls and Procedures</u>	<u>32</u>

PART II

<u>ITEM 1. Legal Proceedings</u>	<u>33</u>
<u>ITEM 1A. Risk Factors</u>	<u>33</u>
<u>ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>33</u>
<u>ITEM 5. Other Information</u>	<u>33</u>
<u>ITEM 6. Exhibits</u>	<u>33</u>

<u>SIGNATURE</u>	<u>34</u>
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PART I - FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
IN MILLIONS EXCEPT PER SHARE AMOUNTS

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	\$ 12,758	\$ 11,843	\$ 24,541	\$ 23,249
Cost of sales, including buying and occupancy costs	8,910	8,571	17,284	16,794
Selling, general and administrative expenses	2,559	2,175	4,797	4,269
Impairment on equity investment	—	—	—	218
Interest (income) expense, net	(38)	11	(75)	30
Income before income taxes	1,327	1,086	2,535	1,938
Provision for income taxes	338	276	655	541
Net income	\$ 989	\$ 810	\$ 1,880	\$ 1,397
Basic earnings per share	\$ 0.86	\$ 0.69	\$ 1.63	\$ 1.19
Weighted average common shares – basic	1,148	1,168	1,151	1,173
Diluted earnings per share	\$ 0.85	\$ 0.69	\$ 1.62	\$ 1.18
Weighted average common shares – diluted	1,161	1,178	1,163	1,184

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
IN MILLIONS

	Thirteen Weeks Ended	
	July 29, 2023	July 30, 2022
Net income	\$ 989	\$ 810
Additions to other comprehensive income (loss):		
Foreign currency translation adjustments, net of related tax provisions of \$1 in fiscal 2024 and \$0.4 in fiscal 2023	40	(30)
Reclassifications from other comprehensive income (loss) to net income:		
Amortization of prior service cost and deferred gains/losses, net of related tax provisions of \$0.1 in fiscal 2024 and \$2 in fiscal 2023	1	4
Other comprehensive income (loss), net of tax	41	(26)
Total comprehensive income	\$ 1,030	\$ 784
	Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022
Net income	\$ 1,880	\$ 1,397
Additions to other comprehensive income (loss):		
Foreign currency translation adjustments, net of related tax provision of \$0.4 in fiscal 2024 and tax benefit of \$0.2 in fiscal 2023	54	(89)
Reclassifications from other comprehensive income (loss) to net income:		
Amortization of prior service cost and deferred gains/losses, net of related tax provisions of \$0.2 in fiscal 2024 and \$3 in fiscal 2023	1	8
Other comprehensive income (loss), net of tax	55	(81)
Total comprehensive income	\$ 1,935	\$ 1,316

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
IN MILLIONS, EXCEPT SHARE DATA

	July 29, 2023	January 28, 2023	July 30, 2022
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,550	\$ 5,477	\$ 3,531
Accounts receivable, net	548	563	556
Merchandise inventories	6,585	5,819	7,083
Prepaid expenses and other current assets	507	478	553
Federal, state and foreign income taxes recoverable	148	119	112
Total current assets	12,338	12,456	11,835
Net property at cost	6,166	5,783	5,390
Non-current deferred income taxes, net	149	158	172
Operating lease right of use assets	9,406	9,086	8,987
Goodwill	95	97	97
Other assets	768	769	610
Total assets	\$ 28,922	\$ 28,349	\$ 27,091
Liabilities			
Current liabilities:			
Accounts payable	\$ 4,438	\$ 3,794	\$ 4,085
Accrued expenses and other current liabilities	4,244	4,346	3,928
Current portion of operating lease liabilities	1,618	1,610	1,572
Current portion of long-term debt	—	500	500
Federal, state and foreign income taxes payable	17	55	62
Total current liabilities	10,317	10,305	10,147
Other long-term liabilities	915	919	917
Non-current deferred income taxes, net	132	127	67
Long-term operating lease liabilities	8,089	7,775	7,706
Long-term debt	2,861	2,859	2,857
Commitments and contingencies (See Note K)			
Shareholders' equity			
Preferred stock, authorized 5,000,000 shares, par value \$1, no shares issued	—	—	—
Common stock, authorized 1,800,000,000 shares, par value \$1, issued and outstanding 1,144,948,031; 1,155,437,908 and 1,161,886,769 respectively	1,145	1,155	1,162
Additional paid-in capital	—	—	—
Accumulated other comprehensive (loss) income	(551)	(606)	(768)
Retained earnings	6,014	5,815	5,003
Total shareholders' equity	6,608	6,364	5,397
Total liabilities and shareholders' equity	\$ 28,922	\$ 28,349	\$ 27,091

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
IN MILLIONS

	Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022
Cash flows from operating activities:		
Net income	\$ 1,880	\$ 1,397
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	467	438
Impairment on equity investment	—	218
Loss on property disposals and impairment charges	21	5
Deferred income tax provision	16	26
Share-based compensation	70	58
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	19	(48)
(Increase) in merchandise inventories	(734)	(1,207)
(Increase) decrease in income taxes recoverable	(28)	2
(Increase) in prepaid expenses and other current assets	(34)	(50)
Increase (decrease) in accounts payable	619	(311)
(Decrease) in accrued expenses and other liabilities	(170)	(393)
(Decrease) in income taxes payable	(36)	(123)
Increase in net operating lease liabilities	0	6
Other, net	(4)	(12)
Net cash provided by operating activities	2,086	6
Cash flows from investing activities:		
Property additions	(820)	(693)
Purchases of investments	(17)	(21)
Sales and maturities of investments	18	11
Net cash (used in) investing activities	(819)	(703)
Cash flows from financing activities:		
Repayment of debt	(500)	—
Payments for repurchase of common stock	(1,041)	(1,307)
Cash dividends paid	(725)	(655)
Proceeds from issuance of common stock	81	50
Other	(29)	(33)
Net cash (used in) financing activities	(2,214)	(1,945)
Effect of exchange rate changes on cash	20	(54)
Net (decrease) in cash and cash equivalents	(927)	(2,696)
Cash and cash equivalents at beginning of year	5,477	6,227
Cash and cash equivalents at end of period	\$ 4,550	\$ 3,531

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)
IN MILLIONS

	Thirteen Weeks Ended					
	Common Stock		Additional Paid- In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, April 29, 2023	1,150	\$ 1,150	\$ —	\$ (592)	\$ 5,864	\$ 6,422
Net income	—	—	—	—	989	989
Other comprehensive income, net of tax	—	—	—	41	—	41
Cash dividends declared on common stock	—	—	—	—	(381)	(381)
Recognition of share-based compensation	—	—	36	—	—	36
Issuance of common stock under stock incentive plan and related tax effect	2	2	54	—	(1)	55
Common stock repurchased	(7)	(7)	(90)	—	(457)	(554)
Balance, July 29, 2023	1,145	\$ 1,145	\$ —	\$ (551)	\$ 6,014	\$ 6,608

	Thirteen Weeks Ended					
	Common Stock		Additional Paid- In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, April 30, 2022	1,173	\$ 1,173	\$ —	\$ (742)	\$ 5,164	\$ 5,595
Net income	—	—	—	—	810	810
Other comprehensive (loss), net of tax	—	—	—	(26)	—	(26)
Cash dividends declared on common stock	—	—	—	—	(343)	(343)
Recognition of share-based compensation	—	—	31	—	—	31
Issuance of common stock under stock incentive plan and related tax effect	0	0	31	—	(1)	30
Common stock repurchased	(11)	(11)	(62)	—	(627)	(700)
Balance, July 30, 2022	1,162	\$ 1,162	\$ —	\$ (768)	\$ 5,003	\$ 5,397

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(UNAUDITED)
IN MILLIONS

	Twenty-Six Weeks Ended					
	Common Stock		Additional Paid- In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, January 28, 2023	1,155	\$ 1,155	\$ —	\$ (606)	\$ 5,815	\$ 6,364
Net income	—	—	—	—	1,880	1,880
Other comprehensive income, net of tax	—	—	—	55	—	55
Cash dividends declared on common stock	—	—	—	—	(764)	(764)
Recognition of share-based compensation	—	—	70	—	—	70
Issuance of common stock under stock incentive plan and related tax effect	3	3	51	—	(1)	53
Common stock repurchased and retired	(13)	(13)	(121)	—	(916)	(1,050)
Balance, July 29, 2023	1,145	\$ 1,145	\$ —	\$ (551)	\$ 6,014	\$ 6,608

	Twenty-Six Weeks Ended					
	Common Stock		Additional Paid- In Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, January 29, 2022	1,181	\$ 1,181	\$ —	\$ (687)	\$ 5,509	\$ 6,003
Net income	—	—	—	—	1,397	1,397
Other comprehensive (loss), net of tax	—	—	—	(81)	—	(81)
Cash dividends declared on common stock	—	—	—	—	(690)	(690)
Recognition of share-based compensation	—	—	58	—	—	58
Issuance of common stock under stock incentive plan and related tax effect	2	2	16	—	(1)	17
Common stock repurchased and retired	(21)	(21)	(74)	—	(1,212)	(1,307)
Balance, July 30, 2022	1,162	\$ 1,162	\$ —	\$ (768)	\$ 5,003	\$ 5,397

The accompanying notes are an integral part of the unaudited consolidated financial statements.

THE TJX COMPANIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note A. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The Consolidated Financial Statements and Notes thereto have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information. These Consolidated Financial Statements and Notes thereto are unaudited and, in the opinion of management, reflect all normal recurring adjustments, accruals and deferrals among periods required to match costs properly with the related revenue or activity, considered necessary by The TJX Companies, Inc. (together with its subsidiaries, “TJX”) for a fair statement of its Consolidated Financial Statements for the periods reported, all in conformity with GAAP consistently applied. The Consolidated Financial Statements and Notes thereto should be read in conjunction with the audited Consolidated Financial Statements, including the related notes, contained in TJX’s Annual Report on Form 10-K for the fiscal year ended January 28, 2023 (“fiscal 2023”).

These interim results are not necessarily indicative of results for the full fiscal year. TJX’s business, in common with the businesses of retailers generally, is subject to seasonal influences, with higher levels of sales and income generally realized in the second half of the year.

The January 28, 2023 balance sheet data was derived from audited Consolidated Financial Statements and does not include all disclosures required by GAAP.

Fiscal Year

TJX’s fiscal year ends on the Saturday nearest to the last day of January of each year. The current fiscal year ends February 3, 2024 (“fiscal 2024”) and is a 53-week fiscal year. Fiscal 2023 was a 52-week fiscal year. Fiscal 2025 will be a 52-week fiscal year and will end February 1, 2025.

Use of Estimates

The preparation of financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. TJX considers its accounting policies relating to inventory valuation, reserves for uncertain tax positions and loss contingencies to be the most significant accounting policies that involve management estimates and judgments. Actual amounts could differ from these estimates, and such differences could be material.

Equity Investment

In fiscal 2020, the Company acquired a minority ownership stake in privately held Familia, an off-price retailer of apparel and home fashions domiciled in Luxembourg that operates stores throughout Russia. During the first quarter of fiscal 2023, the Company announced that it had committed to divesting its minority investment, resulting in an impairment charge of \$218 million representing the entire carrying value of the Company’s investment. Additionally, the Company realized a \$54 million tax benefit when the Company completed the divestiture of this investment during the third quarter of fiscal 2023. See Note F—Fair Value Measurements for additional information.

Deferred Gift Card Revenue

The following table presents deferred gift card revenue activity:

In millions	July 29, 2023	July 30, 2022
Balance, beginning of year	\$ 721	\$ 685
Deferred revenue	858	852
Effect of exchange rates changes on deferred revenue	1	(3)
Revenue recognized	(916)	(905)
Balance, end of period	\$ 664	\$ 629

TJX recognized \$472 million in gift card revenue for the three months ended July 29, 2023 and \$462 million for the three months ended July 30, 2022. Gift cards are combined in one homogeneous pool and are not separately identifiable. As such, the revenue recognized consists of gift cards that were part of the deferred revenue balance at the beginning of the period as well as gift cards that were issued during the period.

Leases

Supplemental cash flow information related to leases is as follows:

In millions	Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022
Operating cash flows paid for operating leases	\$ 999	\$ 972
Lease liabilities arising from obtaining right of use assets	\$ 1,148	\$ 1,151

Future Adoption of New Accounting Standards

From time to time, the Financial Accounting Standards Board (“FASB”) or other standard setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standards Codification are communicated through issuance of an Accounting Standards Update (“ASU”). The Company has reviewed the new guidance and has determined that it will either not apply to TJX or is not expected to be material to its Consolidated Financial Statements upon adoption, and, therefore, the guidance is not disclosed.

Note B. Property at Cost

The following table presents the components of property at cost:

In millions	July 29, 2023	January 28, 2023	July 30, 2022
Land and buildings	\$ 2,086	\$ 2,043	\$ 1,960
Leasehold costs and improvements	4,147	3,874	3,667
Furniture, fixtures and equipment	7,797	7,400	7,080
Total property at cost	\$ 14,030	\$ 13,317	\$ 12,707
Less: accumulated depreciation and amortization	7,864	7,534	7,317
Net property at cost	\$ 6,166	\$ 5,783	\$ 5,390

Depreciation expense was \$234 million for the three months ended July 29, 2023 and \$216 million for the three months ended July 30, 2022. Depreciation expense was \$464 million for the six months ended July 29, 2023 and \$434 million for the six months ended July 30, 2022.

Non-cash investing activities in the cash flows consist of accrued capital additions of \$192 million and \$145 million as of the periods ended July 29, 2023 and July 30, 2022, respectively.

Note C. Accumulated Other Comprehensive (Loss) Income

Amounts included in Accumulated other comprehensive (loss) income are recorded net of taxes. The following table details the changes in Accumulated other comprehensive loss for the twelve months ended January 28, 2023 and the six months ended July 29, 2023:

In millions and net of immaterial taxes	Foreign Currency Translation	Deferred Benefit Costs	Accumulated Other Comprehensive (Loss) Income
Balance, January 29, 2022	\$ (488)	\$ (199)	\$ (687)
Additions to other comprehensive loss:			
Foreign currency translation adjustments, net of taxes	(56)	—	(56)
Recognition of net gains/losses on benefit obligations, net of taxes	—	121	121
Reclassifications from other comprehensive loss to net income:			
Amortization of prior service cost and deferred gains/losses, net of taxes	—	16	16
Balance, January 28, 2023	\$ (544)	\$ (62)	\$ (606)
Additions to other comprehensive loss:			
Foreign currency translation adjustments, net of taxes	54	—	54
Reclassifications from other comprehensive loss to net income:			
Amortization of prior service cost and deferred gains/losses, net of taxes	—	1	1
Balance, July 29, 2023	\$ (490)	\$ (61)	\$ (551)

Note D. Capital Stock and Earnings Per Share

Capital Stock

TJX repurchased and retired 6.7 million shares of its common stock at a cost of approximately \$555 million, including applicable excise tax, during the quarter ended July 29, 2023, on a “trade date” basis. During the six months ended July 29, 2023, TJX repurchased and retired 13.2 million shares of its common stock at a cost of approximately \$1.1 billion, on a “trade date” basis. TJX reflects stock repurchases in its consolidated financial statements on a “settlement date” or cash basis. TJX had cash expenditures under repurchase programs of \$1 billion for the six months ended July 29, 2023 and \$1.3 billion for the six months ended July 30, 2022. These expenditures were funded by cash on hand and cash generated from current and prior period operations.

In February 2023, the Company announced that its Board of Directors had approved a new stock repurchase program that authorizes the repurchase of up to an additional \$2 billion of TJX common stock from time to time. Under this program and previously announced programs, TJX had approximately \$2.5 billion available for repurchase as of July 29, 2023.

All shares repurchased under the stock repurchase programs have been retired.

Earnings Per Share

The following table presents the calculation of basic and diluted earnings per share:

Amounts in millions, except per share amounts	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Basic earnings per share:				
Net income	\$ 989	\$ 810	\$ 1,880	\$ 1,397
Weighted average common shares outstanding for basic earnings per share calculation	1,148	1,168	1,151	1,173
Basic earnings per share	\$ 0.86	\$ 0.69	\$ 1.63	\$ 1.19
Diluted earnings per share:				
Net income	\$ 989	\$ 810	\$ 1,880	\$ 1,397
Weighted average common shares outstanding for basic earnings per share calculation	1,148	1,168	1,151	1,173
Assumed exercise/vesting of stock options and awards	13	10	12	11
Weighted average common shares outstanding for diluted earnings per share calculation	1,161	1,178	1,163	1,184
Diluted earnings per share	\$ 0.85	\$ 0.69	\$ 1.62	\$ 1.18
Cash dividends declared per share	\$ 0.3325	\$ 0.295	\$ 0.665	\$ 0.59

The weighted average common shares for the diluted earnings per share calculation excludes the impact of outstanding stock options if the assumed proceeds per share of the option is in excess of the average price of TJX’s common stock for the related fiscal periods. Such options are excluded because they would have an antidilutive effect. There were no such options excluded for the thirteen weeks and twenty-six weeks ended July 29, 2023. There were 5.1 million such options excluded for the thirteen weeks and twenty-six weeks ended July 30, 2022.

Note E. Financial Instruments

As a result of its operating and financing activities, TJX is exposed to market risks from changes in interest and foreign currency exchange rates and fuel costs. These market risks may adversely affect TJX’s operating results and financial position. TJX seeks to minimize risk from changes in interest and foreign currency exchange rates and fuel costs through the use of derivative financial instruments when and to the extent deemed appropriate. TJX does not use derivative financial instruments for trading or other speculative purposes and does not use any leveraged derivative financial instruments. TJX recognizes all derivative instruments as either assets or liabilities in the Consolidated Balance Sheet and measures those instruments at fair value. The fair values of the derivatives are classified as assets or liabilities, current or non-current, based upon valuation results and settlement dates of the individual contracts. Changes to the fair value of derivative contracts that do not qualify for hedge accounting are reported in earnings in the period of the change. For derivatives that qualify for hedge accounting, changes in the fair value of the derivatives are either recorded in shareholders’ equity as a component of Accumulated other comprehensive (loss) income or are recognized currently in earnings, along with an offsetting adjustment against the basis of the item being hedged.

Diesel Fuel Contracts

TJX hedges portions of its estimated notional diesel fuel requirements based on the diesel fuel expected to be consumed by independent freight carriers transporting TJX's inventory. Independent freight carriers transporting TJX's inventory charge TJX a mileage surcharge based on the price of diesel fuel. The hedge agreements are designed to mitigate the volatility of diesel fuel pricing, and the resulting per mile surcharges payable by TJX, by setting a fixed price per gallon for the period being hedged. During fiscal 2023, TJX entered into agreements to hedge a portion of its estimated notional diesel fuel requirements for fiscal 2024, and during the first six months of fiscal 2024, TJX entered into agreements to hedge a portion of its estimated notional diesel fuel requirements for the first six months of fiscal 2025. The hedge agreements outstanding at July 29, 2023 relate to approximately 50% of TJX's estimated notional diesel fuel requirements for the remainder of fiscal 2024 and the first six months of fiscal 2025. These diesel fuel hedge agreements will settle throughout fiscal 2024 and throughout the first seven months of fiscal 2025. TJX elected not to apply hedge accounting to these contracts.

Foreign Currency Contracts

TJX enters into forward foreign currency exchange contracts to obtain economic hedges on portions of merchandise purchases made and anticipated to be made by the Company's operations in currencies other than their respective functional currencies. The contracts outstanding at July 29, 2023 cover merchandise purchases the Company is committed to over the next several months in fiscal 2024. Additionally, TJX's operations in Europe are subject to foreign currency exposure as a result of their buying function being centralized in the U.K. Merchandise is purchased centrally in the U.K. and then shipped and billed to the retail entities in other countries. This intercompany billing to TJX's European businesses' Euro denominated operations creates exposure to the central buying entity for changes in the exchange rate between the Euro and British Pound. A portion of the inflows of Euros to the central buying entity provides a natural hedge for Euro denominated merchandise purchases from third-party vendors. TJX calculates any excess Euro exposure each month and enters into forward contracts of approximately 30 days' duration to mitigate this exposure.

TJX also enters into derivative contracts, generally designated as fair value hedges, to hedge intercompany debt. The changes in fair value of these contracts are recorded in Selling, general and administrative expenses and are offset by marking the underlying item to fair value in the same period. Upon settlement, the realized gains and losses on these contracts are offset by the realized gains and losses of the underlying item in Selling, general and administrative expenses.

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at July 29, 2023:

In millions	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at July 29, 2023
Fair value hedges:							
Intercompany balances, primarily debt:							
€	60	£	52	0.8738 Prepaid Exp	\$ 0.6	\$ —	\$ 0.6
A\$	162	U.S.\$	112	0.6926 Prepaid Exp	3.5	—	3.5
U.S.\$	69	£	55	0.8010 Prepaid Exp	2.0	—	2.0
£	200	U.S.\$	244	1.2191 (Accrued Exp)	—	(13.4)	(13.4)
€	200	U.S.\$	219	1.0964 Prepaid Exp / (Accrued Exp)	0.3	(3.3)	(3.0)
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 3.0M – 3.8M gal per month	Float on 3.0M – 3.8M gal per month		N/A (Accrued Exp)	—	(2.0)	(2.0)
Intercompany billings in TJX International, primarily merchandise:							
€	107	£	91	0.8526 (Accrued Exp)	—	(0.8)	(0.8)
Merchandise purchase commitments:							
C\$	876	U.S.\$	655	0.7473 Prepaid Exp / (Accrued Exp)	0.2	(9.0)	(8.8)
C\$	28	€	19	0.6799 Prepaid Exp / (Accrued Exp)	0.1	(0.3)	(0.2)
£	376	U.S.\$	468	1.2462 Prepaid Exp / (Accrued Exp)	0.5	(15.5)	(15.0)
A\$	96	U.S.\$	65	0.6810 Prepaid Exp	1.3	—	1.3
zł	605	£	114	0.1878 (Accrued Exp)	—	(4.4)	(4.4)
U.S.\$	110	€	101	0.9139 Prepaid Exp / (Accrued Exp)	1.3	(0.3)	1.0
Total fair value of derivative financial instruments					\$ 9.8	\$ (49.0)	\$ (39.2)

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at January 28, 2023:

In millions	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at January 28, 2023
Fair value hedges:							
Intercompany balances, primarily debt:							
€	60	£	53	0.8807 (Accrued Exp)	\$ —	\$ (0.3)	\$ (0.3)
A\$	150	U.S.\$	105	0.7003 (Accrued Exp)	—	(2.6)	(2.6)
U.S.\$	69	£	55	0.8010 (Accrued Exp)	—	(0.3)	(0.3)
£	200	U.S.\$	244	1.2191 (Accrued Exp)	—	(5.5)	(5.5)
€	200	U.S.\$	213	1.0652 Prepaid Exp / (Accrued Exp)	0.8	(7.0)	(6.2)
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 3.2M – 3.6M gal per month	Float on 3.2M– 3.6M gal per month		N/A Prepaid Exp	3.9	—	3.9
Intercompany billings in TJX International, primarily merchandise:							
€	146	£	129	0.8834 Prepaid Exp	0.8	—	0.8
Merchandise purchase commitments:							
C\$	705	U.S.\$	525	0.7449 Prepaid Exp / (Accrued Exp)	2.2	(7.1)	(4.9)
C\$	23	€	16	0.7064 Prepaid Exp / (Accrued Exp)	0.4	(0.0)	0.4
£	299	U.S.\$	356	1.1916 Prepaid Exp / (Accrued Exp)	0.1	(15.4)	(15.3)
zł	507	£	91	0.1788 (Accrued Exp)	—	(3.6)	(3.6)
A\$	104	U.S.\$	71	0.6819 (Accrued Exp)	—	(3.3)	(3.3)
U.S.\$	85	€	82	0.9634 Prepaid Exp	4.3	—	4.3
Total fair value of derivative financial instruments					\$ 12.5	\$ (45.1)	\$ (32.6)

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at July 30, 2022:

In millions	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at July 30, 2022
Fair value hedges:							
Intercompany balances, primarily debt:							
€	60	£	51	0.8428 Prepaid Exp	\$ 0.3	\$ —	\$ 0.3
A\$	170	U.S.\$	120	0.7034 Prepaid Exp / (Accrued Exp)	0.8	(1.0)	(0.2)
U.S.\$	75	£	55	0.7368 (Accrued Exp)	—	(6.8)	(6.8)
£	150	U.S.\$	204	1.3578 Prepaid Exp	19.1	—	19.1
€	200	U.S.\$	223	1.1156 Prepaid Exp / (Accrued Exp)	14.7	(0.1)	14.6
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 2.6M – 3.9M gal per month	Float on 2.6M – 3.9M gal per month		N/A Prepaid Exp	38.2	—	38.2
Intercompany billings in TJX International, primarily merchandise:							
€	206	£	174	0.8462 Prepaid Exp	2.1	—	2.1
Merchandise purchase commitments:							
C\$	807	U.S.\$	635	0.7867 Prepaid Exp / (Accrued Exp)	6.7	(1.0)	5.7
C\$	26	€	19	0.7314 (Accrued Exp)	—	(0.7)	(0.7)
£	440	U.S.\$	569	1.2941 Prepaid Exp / (Accrued Exp)	30.0	(2.2)	27.8
A\$	71	U.S.\$	51	0.7141 Prepaid Exp / (Accrued Exp)	1.1	(0.4)	0.7
zł	701	£	124	0.1770 Prepaid Exp / (Accrued Exp)	2.2	(0.0)	2.2
U.S.\$	114	€	105	0.9188 Prepaid Exp / (Accrued Exp)	0.1	(6.0)	(5.9)
Total fair value of derivative financial instruments					\$ 115.3	\$ (18.2)	\$ 97.1

The impact of derivative financial instruments on the Consolidated Statements of Income is presented below:

In millions	Location of (Loss) Gain Recognized in Income by Derivative	Amount of (Loss) Gain Recognized in Income by Derivative			
		Thirteen Weeks Ended		Twenty-Six Weeks Ended	
		July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Fair value hedges:					
Intercompany balances, primarily debt	Selling, general and administrative expenses	\$ (3)	\$ 9	\$ 3	\$ 33
Economic hedges for which hedge accounting was not elected:					
Diesel fuel contracts	Cost of sales, including buying and occupancy costs	10	10	(8)	54
Intercompany billings in TJX International, primarily merchandise	Cost of sales, including buying and occupancy costs	4	0	4	0
Merchandise purchase commitments	Cost of sales, including buying and occupancy costs	(30)	7	(22)	48
(Loss) gain recognized in income		\$ (19)	\$ 26	\$ (23)	\$ 135

Note F. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or “exit price”. The inputs used to measure fair value are generally classified into the following hierarchy:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability
- Level 3: Unobservable inputs for the asset or liability

The following table sets forth TJX’s financial assets and liabilities that are accounted for at fair value on a recurring basis:

In millions	July 29, 2023	January 28, 2023	July 30, 2022
Level 1			
Assets:			
Executive Savings Plan investments	\$ 394.8	\$ 371.6	\$ 364.3
Level 2			
Assets:			
Foreign currency exchange contracts	\$ 9.8	\$ 8.6	\$ 77.1
Diesel fuel contracts	—	3.9	38.2
Liabilities:			
Foreign currency exchange contracts	\$ 47.0	\$ 45.1	\$ 18.2
Diesel fuel contracts	2.0	—	—

Investments designed to meet obligations under the Executive Savings Plan are invested in registered investment companies traded in active markets and are recorded at unadjusted quoted prices.

Foreign currency exchange contracts and diesel fuel contracts are valued using broker quotations, which include observable market information. TJX does not make adjustments to quotes or prices obtained from brokers or pricing services but does assess the credit risk of counterparties and will adjust final valuations when appropriate. Where independent pricing services provide fair values, TJX obtains an understanding of the methods used in pricing. As such, these instruments are classified within Level 2.

The fair value of TJX's general corporate debt was estimated by obtaining market quotes given the trading levels of other bonds of the same general issuer type and market perceived credit quality. These inputs are considered to be Level 2 inputs. The fair value of long-term debt as of July 29, 2023 was \$2.6 billion compared to a carrying value of \$2.9 billion primarily due to the recent increase in interest rates. The fair value of long-term debt as of January 28, 2023 was \$2.6 billion compared to a carrying value of \$2.9 billion. The fair value of the current portion of long-term debt as of January 28, 2023 was \$497 million compared to a carrying value of \$500 million. The fair value of long-term debt as of July 30, 2022 was \$2.7 billion compared to a carrying value of \$2.9 billion. The fair value of the current portion of long-term debt as of July 30, 2022 was \$497 million compared to a carrying value of \$500 million. These estimates do not necessarily reflect provisions or restrictions in the various debt agreements that might affect TJX's ability to settle these obligations. For additional information on long-term debt, see Note I—Long-Term Debt and Credit Lines.

TJX's cash equivalents are stated at cost, which approximates fair value due to the short maturities of these instruments.

Certain assets and liabilities are measured at fair value on a nonrecurring basis, whereas the majority of assets and liabilities are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances, such as when there is evidence of an impairment. For the periods ended July 29, 2023, January 28, 2023 and July 30, 2022, the Company did not record any material impairments to long-lived assets.

During the first quarter of fiscal 2023, the Company announced its intention to divest from its position in its minority investment in Familia and re-characterized this investment as held-for-sale valued as a Level 3 position. Given the lack of an active market or observable inputs, the Company derived an exit price which indicated that this investment had no market value. As a result, the Company recorded a \$218 million charge in the first quarter of fiscal 2023, which represented the entirety of its investment. See Note A—Basis of Presentation and Summary of Significant Accounting Policies for additional information.

Note G. Segment Information

TJX operates four main business segments. In the United States, the Marmaxx segment operates T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com and the HomeGoods segment operates HomeGoods, Homesense, and homegoods.com. The TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and the TJX International segment operates T.K. Maxx and Homesense, as well as tkmaxx.com, tkmaxx.de, and tkmaxx.at in Europe and T.K. Maxx in Australia. In addition to the Company's four main business segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the Marmaxx segment.

All of TJX's stores, with the exception of HomeGoods and HomeSense/Homesense, sell family apparel and home fashions. HomeGoods and HomeSense/Homesense offer home fashions.

TJX evaluates the performance of its segments based on "segment profit or loss," which it defines as pre-tax income or loss before general corporate expense, interest (income) expense, net and certain separately disclosed unusual or infrequent items. "Segment profit or loss," as defined by TJX, may not be comparable to similarly titled measures used by other entities. This measure of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of TJX's performance or as a measure of liquidity.

Presented below is financial information with respect to TJX's business segments:

In millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales:				
In the United States:				
Marmaxx	\$ 7,903	\$ 7,236	\$ 15,269	\$ 14,107
HomeGoods	2,011	1,856	3,977	3,892
TJX Canada	1,223	1,248	2,261	2,330
TJX International	1,621	1,503	3,034	2,920
Total net sales	\$ 12,758	\$ 11,843	\$ 24,541	\$ 23,249
Segment profit:				
In the United States:				
Marmaxx	\$ 1,084	\$ 933	\$ 2,112	\$ 1,837
HomeGoods	175	50	319	172
TJX Canada	192	197	309	324
TJX International	32	105	70	118
Total segment profit	1,483	1,285	2,810	2,451
General corporate expense	194	188	350	265
Impairment on equity investment	—	—	—	218
Interest (income) expense, net	(38)	11	(75)	30
Income before income taxes	\$ 1,327	\$ 1,086	\$ 2,535	\$ 1,938

Note H. Pension Plans and Other Retirement Benefits

Presented below is financial information relating to TJX's funded defined benefit pension plan ("qualified pension plan" or "funded plan") and its unfunded supplemental pension plan ("unfunded plan") for the periods shown:

In millions	Funded Plan		Unfunded Plan	
	Thirteen Weeks Ended		Thirteen Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Service cost	\$ 9	\$ 11	\$ 0	\$ 0
Interest cost	18	14	2	1
Expected return on plan assets	(20)	(22)	—	—
Amortization of net actuarial loss and prior service cost	0	5	1	1
Total expense	\$ 7	\$ 8	\$ 3	\$ 2

In millions	Funded Plan		Unfunded Plan	
	Twenty-Six Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Service cost	\$ 17	\$ 23	\$ 1	\$ 1
Interest cost	36	29	3	2
Expected return on plan assets	(40)	(44)	—	—
Amortization of net actuarial loss and prior service cost	0	9	1	2
Total expense	\$ 13	\$ 17	\$ 5	\$ 5

TJX's policy with respect to the funded plan is to fund, at a minimum, the amount required to maintain a funded status of 80% of the applicable pension liability (the Funding Target pursuant to the Internal Revenue Code section 430) or such other amount as is sufficient to avoid restrictions with respect to the funding of nonqualified plans under the Internal Revenue Code. The Company does not anticipate any required funding in fiscal 2024 for the funded plan. The Company anticipates making contributions of \$4 million to provide current benefits coming due under the unfunded plan in fiscal 2024.

The amounts included in Amortization of net actuarial loss and prior service cost in the table above have been reclassified in their entirety from Accumulated other comprehensive (loss) income to the Consolidated Statements of Income, net of related tax effects, for the periods presented.

The Company has offered eligible former TJX Associates who have not yet commenced their qualified pension plan benefit an opportunity to receive a voluntary lump sum payout of their vested pension plan benefit. As a result, the Company anticipates an immaterial non-cash settlement charge. This potential non-cash settlement charge is expected to be incurred in the third quarter of fiscal 2024 and would impact the Company's pretax profit margin and earnings per share results.

Note I. Long-Term Debt and Credit Lines

The table below presents long-term debt as of July 29, 2023, January 28, 2023 and July 30, 2022. All amounts are net of unamortized debt discounts.

In millions and net of immaterial unamortized debt discounts	July 29, 2023	January 28, 2023	July 30, 2022
General corporate debt:			
2.500% senior unsecured notes, maturing May 15, 2023 (effective interest rate of 2.51% after reduction of unamortized debt discount)	\$ —	\$ 500	\$ 500
2.250% senior unsecured notes, maturing September 15, 2026 (effective interest rate of 2.32% after reduction of unamortized debt discount)	998	997	997
1.150% senior unsecured notes, maturing May 15, 2028 (effective interest rate of 1.18% after reduction of unamortized debt discount)	499	499	499
3.875% senior unsecured notes, maturing April 15, 2030 (effective interest rate of 3.89% after reduction of unamortized debt discount)	496	496	495
1.600% senior unsecured notes, maturing May 15, 2031 (effective interest rate of 1.61% after reduction of unamortized debt discount)	500	500	500
4.500% senior unsecured notes, maturing April 15, 2050 (effective interest rate of 4.52% after reduction of unamortized debt discount)	383	383	383
Total debt	2,876	3,375	3,374
Current maturities of long-term debt, net of debt issuance costs	—	(500)	(500)
Debt issuance costs	(15)	(16)	(17)
Long-term debt	\$ 2,861	\$ 2,859	\$ 2,857

Senior Unsecured Notes

During the second quarter of fiscal 2024, the Company repaid its 2.500% ten-year Notes due May 2023 at maturity.

Credit Facilities

TJX has two revolving credit facilities, a \$1 billion senior unsecured revolving credit facility maturing in June 2026 (the "2026 Revolving Credit Facility") and a \$500 million revolving credit facility that was set to mature in May 2024 (the "2024 Revolving Credit Facility"). On May 8, 2023, the Company amended the 2024 Revolving Credit Facility to (i) extend the maturity to May 8, 2028 and (ii) replace the London Interbank Offered Rate ("LIBOR") with a term secured overnight financing rate plus a 0.10% credit spread adjustment ("Adjusted Term SOFR"). Term SOFR borrowings under the "2028 Revolving Credit Facility", as amended, bear interest at the Adjusted Term SOFR plus a margin of 45.0 - 87.5 basis points and a quarterly facility fee payment of 5.0 - 12.5 basis points on the total commitments under the 2028 Revolving Credit Facility, in each case, based on the Company's long-term debt ratings. All other material terms and conditions of the 2028 Revolving Credit Facility were unchanged.

Additionally, on May 8, 2023, the Company amended its 2026 Revolving Credit Facility to replace the LIBOR with Adjusted Term SOFR. Term SOFR borrowings under the 2026 Revolving Credit Facility, as amended, bear interest at the Adjusted Term SOFR plus a variable margin based on the Company's long-term debt ratings. All other material terms and conditions of the 2026 Revolving Credit Facility were unchanged.

Under these credit facilities, the Company has maintained a borrowing capacity of \$1.5 billion. As of July 29, 2023, January 28, 2023 and July 30, 2022, there were no amounts outstanding under these facilities. Each of these facilities require TJX to maintain a ratio of funded debt to earnings before interest, taxes, depreciation and amortization and rentals (EBITDAR) of not more than 3.50 to 1.00 on a rolling four-quarter basis. TJX was in compliance with all covenants related to its credit facilities at the end of all periods presented.

As of July 29, 2023, January 28, 2023 and July 30, 2022, TJX Canada had two credit lines, a C\$10 million facility for operating expenses and a C\$10 million letter of credit facility. As of July 29, 2023, January 28, 2023 and July 30, 2022, and during the quarters and year then ended, there were no amounts outstanding on the Canadian credit line for operating expenses. As of July 29, 2023, January 28, 2023 and July 30, 2022, the Company's European business at TJX International had a credit line of £5 million. As of July 29, 2023, January 28, 2023 and July 30, 2022, and during the quarters and year then ended, there were no amounts outstanding on the European credit line.

Note J. Income Taxes

In August 2022, the Inflation Reduction Act of 2022 ("IRA"), was signed into law. Among other things, the IRA imposes a 15% corporate alternative minimum tax (the "Corporate AMT") for tax years beginning after December 31, 2022 and levies a 1% excise tax on net stock repurchases after December 31, 2022. The excise tax on the net stock repurchase, Corporate AMT, or other provisions of the IRA did not have a material impact on our results of operations or financial position for the first six months of fiscal 2024.

The effective income tax rate was 25.5% for the second quarter of fiscal 2024 and 25.4% for the second quarter of fiscal 2023. The effective income tax rate was 25.8% for the first six months of fiscal 2024 and 27.9% for the first six months of fiscal 2023. The decrease in the effective income tax rate for the first six months of fiscal 2024 was primarily due to the first six months of fiscal 2023 reflecting the impairment of our minority investment in Familia with no estimated tax benefit and the increase in excess tax benefit from share-based compensation in fiscal 2024, partially offset by the resolution of various tax matters in fiscal 2024.

TJX had net unrecognized tax benefits of \$264 million as of July 29, 2023, \$265 million as of January 28, 2023 and \$272 million as of July 30, 2022.

TJX is subject to U.S. federal income tax as well as income tax in multiple state, local and foreign jurisdictions. In the U.S. and India, fiscal years through 2010 are no longer subject to examination. In all other jurisdictions, fiscal years through 2011 are no longer subject to examination.

TJX's accounting policy is to classify interest and penalties related to income tax matters as part of income tax expense. The accrued amounts for interest and penalties on the Consolidated Balance Sheets was \$39 million as of July 29, 2023, \$37 million as of January 28, 2023 and \$39 million as of July 30, 2022.

Based on the final resolution of tax examinations, judicial or administrative proceedings, changes in facts or law, expirations of statutes of limitations in specific jurisdictions or other resolutions of, or changes in, tax positions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those represented on the consolidated financial statements as of July 29, 2023. During the next 12 months, it is reasonably possible that tax audit resolutions may reduce unrecognized tax benefits by up to \$51 million, which would reduce the provision for taxes on earnings.

Note K. Contingent Obligations, Contingencies, and Commitments

Contingent Contractual Obligations

TJX is a party to various agreements under which it may be obligated to indemnify the other party with respect to certain losses related to matters including title to assets sold, specified environmental matters or certain income taxes. These obligations are sometimes limited in time or amount. There are no amounts reflected in the Company's Consolidated Balance Sheets with respect to these contingent obligations.

Legal Contingencies

TJX is subject to certain legal proceedings, lawsuits, disputes and claims that arise from time to time in the ordinary course of its business.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The Thirteen Weeks (second quarter) and Twenty-Six Weeks (six months) Ended July 29, 2023
Compared to
The Thirteen Weeks (second quarter) and Twenty-Six Weeks (six months) Ended July 30, 2022

OVERVIEW

We are the leading off-price apparel and home fashions retailer in the U.S. and worldwide. Our mission is to deliver great value to our customers every day. We do this by selling a rapidly changing assortment of apparel, home fashions and other merchandise at prices generally 20% to 60% below full-price retailers’ (including department, specialty and major online retailers) regular prices on comparable merchandise, every day through our stores and seven e-commerce sites. We operate nearly 4,900 stores through our four main segments: in the U.S., Marmaxx (which operates T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and HomeGoods (which operates HomeGoods, Homesense and homegoods.com); TJX Canada (which operates Winners, HomeSense and Marshalls in Canada); and TJX International (which operates T.K. Maxx, Homesense, tkmaxx.com, tkmaxx.de, and tkmaxx.at in Europe, and T.K. Maxx in Australia). In addition to our four main segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the Marmaxx segment.

RESULTS OF OPERATIONS

As an overview of our financial performance, results for the quarter ended July 29, 2023 include the following:

- Net sales increased 8% to \$12.8 billion for the second quarter of fiscal 2024 versus last year’s second quarter sales of \$11.8 billion. As of July 29, 2023, both the number of stores in operation and the selling square footage increased 3% compared to the end of the second quarter of fiscal 2023.
- Consolidated comp store sales increased 6% for the second quarter of fiscal 2024. See Net Sales below for definition of comp store sales.
- Diluted earnings per share for the second quarter of fiscal 2024 were \$0.85 versus \$0.69 in the second quarter of fiscal 2023.
- Pre-tax profit margin (the ratio of pre-tax income to net sales) for the second quarter of fiscal 2024 was 10.4%, a 1.2 percentage point increase compared with 9.2% in the second quarter of fiscal 2023.
- Our cost of sales, including buying and occupancy costs, ratio for the second quarter of fiscal 2024 was 69.8%, a 2.6 percentage point decrease compared with 72.4% in the second quarter of fiscal 2023.
- Our selling, general and administrative (“SG&A”) expense ratio for the second quarter of fiscal 2024 was 20.1%, a 1.7 percentage point increase compared with 18.4% in the second quarter of fiscal 2023.
- Our consolidated average per store inventories, including inventory on hand at our distribution centers (which excludes inventory in transit) and excluding our e-commerce sites and Sierra stores, were down 6% on both a reported basis and constant currency basis at the end of the second quarter of fiscal 2024.
- During the second quarter of fiscal 2024, we returned \$932 million to our shareholders through share repurchases and dividends.

Operating Results as a Percentage of Net Sales

The following table sets forth our consolidated operating results as a percentage of net sales:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales, including buying and occupancy costs	69.8	72.4	70.4	72.2
Selling, general and administrative expenses	20.1	18.4	19.5	18.4
Impairment on equity investment	—	—	—	0.9
Interest (income) expense, net	(0.3)	0.1	(0.3)	0.1
Income before income taxes*	10.4 %	9.2 %	10.3 %	8.3 %

* Figures may not foot due to rounding.

Net Sales

Net sales for the quarter ended July 29, 2023 totaled \$12.8 billion, an 8% increase versus second quarter fiscal 2023 net sales of \$11.8 billion. The increase reflects a 6% increase in comp store sales and a 2% increase from non-comp store sales. Net sales from our e-commerce sites combined amounted to less than 2% of total sales for each of the second quarters of fiscal 2024 and fiscal 2023.

Net sales for the six months ended July 29, 2023 totaled \$24.5 billion, a 6% increase versus net sales of \$23.2 billion for the first six months fiscal 2023. The increase reflects a 4% increase in comp store sales and a 2% increase from non-comp store sales. Net sales from our e-commerce sites combined amounted to less than 2% of total sales for each of the first six months of fiscal 2024 and fiscal 2023.

We have returned to our historical definition of comparable store sales (as defined below). While stores in the U.S. were open for all of fiscal 2022, a significant number of stores in TJX Canada and TJX International experienced COVID-related temporary store closures and government-mandated shopping restrictions during fiscal 2022. Therefore, in fiscal 2023, we could not measure year-over-year comparable store sales with fiscal 2022 in these geographies in a meaningful way. As a result, the comparable stores included in the fiscal 2023 measure consisted of U.S. stores only, which we referred to as U.S. comparable store sales (“U.S. comp store sales”), and were calculated against sales for the comparable period in fiscal 2022.

Comp store sales increased 6% for the second quarter of fiscal 2024. U.S. comp store sales decreased 5% for the second quarter of fiscal 2023. Apparel comp store sales (as defined below) growth outperformed home fashions comp store sales (as defined below) growth for the second quarter of fiscal 2024.

Comp store sales increased 4% for the first six months of fiscal 2024. U.S. comp store sales decreased 2% for the first six months of fiscal 2023. Apparel comp store sales growth outperformed a decline in home fashions comp store sales for the first six months ended July 29, 2023.

Comp store sales for both periods were driven by an increase in customer traffic, partially offset by a decrease in average basket.

As of July 29, 2023, both our store count and selling square footage increased 3% compared to the end of the second quarter last year.

Definition of Comparable Store Sales

We define comparable store sales, or comp store sales, to be sales of stores that have been in operation for all or a portion of two consecutive fiscal years, or, in other words, stores that are starting their third fiscal year of operation. We calculate comp store sales on a 52-week basis by comparing the current and prior year weekly periods that are most closely aligned. Relocated stores and stores that have changed in size are generally classified in the same way as the original store, and we believe that the impact of these stores on the consolidated comp percentage is immaterial.

Sales excluded from comp store sales (“non-comp store sales”) consist of sales from:

- New stores - stores that have not yet met the comp store sales criteria, which represents a substantial majority of non-comp store sales
- Stores that are closed permanently or for an extended period of time
- Sales from our e-commerce sites

We determine which stores are included in the comp store sales calculation at the beginning of a fiscal year and the classification remains constant throughout that year unless a store is closed permanently or for an extended period during that fiscal year.

Comp store sales of our foreign segments are calculated by translating the current year’s comp store sales using the prior year’s exchange rates. This removes the effect of changes in currency exchange rates, which we believe is a more accurate measure of segment operating performance.

Comp store sales may be referred to as “same store” sales by other retail companies. The method for calculating comp store sales varies across the retail industry; therefore, our measure of comp store sales may not be comparable to that of other retail companies. Comparable store sales for a category such as home fashions or apparel include sales from merchandise within such category combined across all divisions at the stores that fall within the Company’s definition of comparable stores for such period.

We define customer traffic to be the number of transactions in stores and average ticket to be the average retail price of the units sold. We define average transaction or average basket to be the average dollar value of transactions.

Impact of Foreign Currency Exchange Rates

Our operating results are affected by foreign currency exchange rates as a result of changes in the value of the U.S. dollar or a division's local currency in relation to other currencies. We specifically refer to "foreign currency" as the impact of translational foreign currency exchange and mark-to-market of inventory derivatives, as described in detail below. This does not include the impact foreign currency exchange rates can have on various transactions that are denominated in a currency other than an operating division's local currency, which is referred to as "transactional foreign exchange," and also described below.

Translation Foreign Exchange

In our consolidated financial statements, we translate the operations of TJX Canada and TJX International from local currencies into U.S. dollars using currency rates in effect at different points in time. Significant changes in foreign exchange rates between comparable prior periods can result in meaningful variations in assets, liabilities, net sales, net income and earnings per share growth as well as the net sales and operating results of these segments. Currency translation generally does not affect operating margins, or affects them only slightly, as sales and expenses of the foreign operations are translated at approximately the same rates within a given period.

Mark-to-Market Inventory Derivatives

We routinely enter into inventory-related hedging instruments to mitigate the impact on earnings of changes in foreign currency exchange rates on merchandise purchases denominated in currencies other than the local currencies of our divisions, principally TJX Canada and TJX International. As we have not elected "hedge accounting" for these instruments, as defined by U.S. generally accepted accounting principles ("GAAP"), we record a mark-to-market gain or loss on the derivative instruments in our results of operations at the end of each reporting period. In subsequent periods, the income statement impact of the mark-to-market adjustment is effectively offset when the inventory being hedged is received and paid for. While these effects occur every reporting period, they are of much greater magnitude when there are sudden and significant changes in currency exchange rates during a short period of time. The mark-to-market adjustment on these derivatives does not affect net sales, but it does affect the cost of sales, operating margins and earnings we report.

Transactional Foreign Exchange

When discussing the impact on our results of the effect of foreign currency exchange rates on certain transactions, we refer to it as "transactional foreign exchange". This primarily includes the impact that foreign currency exchange rates may have on the year-over-year comparison of merchandise margin as well as "foreign currency gains and losses" on transactions that are denominated in a currency other than the operating division's local currency. These two items can impact segment margin comparison of our foreign divisions, and we have highlighted them when they are meaningful to understanding operating trends.

Cost of Sales, Including Buying and Occupancy Costs

Cost of sales, including buying and occupancy costs, as a percentage of net sales was 69.8% for the second quarter of fiscal 2024, a decrease of 2.6 percentage points over 72.4% for the second quarter of fiscal 2023. The decrease in the cost of sales ratio, including buying and occupancy costs, for the second quarter of fiscal 2024 was primarily attributable to higher merchandise margin and the favorable impact on the mark-to-market adjustments on fuel and inventory hedges. Merchandise margin reflects favorable freight costs, partially offset by higher shrink accrual rates in the current year.

Cost of sales, including buying and occupancy costs, as a percentage of net sales was 70.4% for the first six months of fiscal 2024, a decrease of 1.8 percentage points over 72.2% for the first six months of fiscal 2023. The decrease in the cost of sales ratio, including buying and occupancy costs, for the first six months of fiscal 2024 was primarily attributable to higher merchandise margin, which reflects favorable freight costs, partially offset by higher shrink accrual rates in the current year.

Selling, General and Administrative Expenses

SG&A expenses, as a percentage of net sales, was 20.1% for the second quarter of fiscal 2024, an increase of 1.7 percentage points over 18.4% for the second quarter of fiscal 2023.

SG&A expenses, as a percentage of net sales, was 19.5% for the first six months of fiscal 2024, an increase of 1.1 percentage points over 18.4% for the first six months of fiscal 2023.

The increase in the SG&A ratio for both the second quarter and first six months of fiscal 2024 was primarily attributable to higher incentive and share-based compensation costs, a reserve related to a German government COVID program receivable, incremental store wage and a contribution to our U.S. charitable foundation.

Impairment on Equity Investment

During fiscal 2023, we announced and completed the divestiture of our minority investment in Familia. As a result, we recorded an impairment charge of \$218 million in the first quarter of fiscal 2023 representing the entire carrying value of the investment. Additionally, we realized a \$54 million tax benefit when we completed the divestiture of this investment during the third quarter of fiscal 2023.

Interest (Income) Expense, net

The components of interest (income) expense, net are summarized below:

In millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Interest expense	\$ 20	\$ 23	\$ 43	\$ 46
Capitalized interest	(1)	(2)	(2)	(3)
Interest (income)	(57)	(10)	(116)	(13)
Interest (income) expense, net	\$ (38)	\$ 11	\$ (75)	\$ 30

Net interest (income) expense decreased for both the second quarter of fiscal 2024 and first six months ended July 29, 2023 compared to the same periods in fiscal 2023 due to an increase in interest income driven by an increase in prevailing rates and a higher average cash balance.

Provision for Income Taxes

In August 2022, the Inflation Reduction Act of 2022 (“IRA”), was signed into law. Among other things, the IRA imposes a 15% corporate alternative minimum tax (the “Corporate AMT”) for tax years beginning after December 31, 2022 and levies a 1% excise tax on net stock repurchases after December 31, 2022. The excise tax on the net stock repurchase, Corporate AMT, or other provisions of the IRA did not have a material impact on our results of operations or financial position for the first six months of fiscal 2024.

The effective income tax rate was 25.5% for the second quarter of fiscal 2024 and 25.4% for the second quarter of fiscal 2023. The effective income tax rate was 25.8% for the first six months of fiscal 2024 and 27.9% for the first six months of fiscal 2023. The decrease in the effective income tax rate for the first six months of fiscal 2024 was primarily due to the first six months of fiscal 2023 reflecting the impairment of our minority investment in Familia with no estimated tax benefit and the increase in excess tax benefit from share-based compensation in fiscal 2024, partially offset by the resolution of various tax matters in fiscal 2024.

Net Income and Diluted Earnings Per Share

Net income was \$1 billion, or \$0.85 per diluted share, and \$810 million, or \$0.69 per diluted share, for the second quarters of fiscal 2024 and fiscal 2023, respectively. Foreign currency had a \$0.01 negative impact on earnings per share and a \$0.03 negative impact on earnings per share for the second quarters of fiscal 2024 and fiscal 2023, respectively.

Net income was \$1.9 billion, or \$1.62 per diluted share, and \$1.4 billion, or \$1.18 per diluted share, for the first six months of fiscal 2024 and fiscal 2023, respectively. The \$218 million impairment on our equity investment in Familia had a \$0.18 negative impact on earnings per share for the first six months of fiscal 2023. Foreign currency had a \$0.01 negative impact on earnings per share and a \$0.02 negative impact on earnings per share for the first six months of fiscal 2024 and fiscal 2023, respectively.

We have offered eligible former TJX Associates who have not yet commenced their qualified pension plan benefit an opportunity to receive a voluntary lump sum payout of their vested pension plan benefit. As a result, we anticipate an immaterial non-cash settlement charge. This potential non-cash settlement charge is expected to be incurred in the third quarter of fiscal 2024 and would impact our pretax profit margin and earnings per share results.

Segment Information

We operate four main business segments. In the United States, our Marmaxx segment operates T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com and our HomeGoods segment operates HomeGoods, Homesense and homegoods.com. Our TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and our TJX International segment operates T.K. Maxx, Homesense, tkmaxx.com, tkmaxx.de, and tkmaxx.at in Europe and T.K. Maxx in Australia. In addition to our four main segments, Sierra operates retail stores and sierra.com in the U.S. The results of Sierra are included in the Marmaxx segment.

We evaluate the performance of our segments based on “segment profit or loss,” which we define as pre-tax income or loss before general corporate expense and interest (income) expense, net, and certain separately disclosed unusual or infrequent items. “Segment profit or loss,” as we define the term, may not be comparable to similarly titled measures used by other companies. The terms “segment margin” or “segment profit margin” are used to describe segment profit or loss as a percentage of net sales. These measures of performance should not be considered an alternative to net income or cash flows from operating activities as an indicator of our performance or as a measure of liquidity.

Presented below is selected financial information related to our business segments.

U.S. SEGMENTS

Marmaxx

U.S. dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	\$ 7,903	\$ 7,236	\$ 15,269	\$ 14,107
Segment profit	\$ 1,084	\$ 933	\$ 2,112	\$ 1,837
Segment profit margin	13.7 %	12.9 %	13.8 %	13.0 %
Comp store sales	8 %	(2)%	7 %	0 %
Stores in operation at end of period:				
T.J. Maxx			1,305	1,290
Marshalls			1,190	1,157
Sierra			83	62
Total			2,578	2,509
Selling square footage at end of period (in millions):				
T.J. Maxx			28	28
Marshalls			27	26
Sierra			1	1
Total			56	55

Net Sales

Net sales for Marmaxx were \$7.9 billion for the second quarter of fiscal 2024, an increase of 9% compared to \$7.2 billion for the second quarter of fiscal 2023. This increase in the second quarter reflects an 8% increase from comp store sales and a 1% increase from non-comp store sales. The increase in comp store sales was driven by an increase in customer traffic, partially offset by a decrease in average basket.

Net sales for Marmaxx were \$15.3 billion for the first six months of fiscal 2024, an increase of 8% compared to \$14.1 billion for the first six months of fiscal 2023. This increase in the first six months reflects a 7% increase from comp store sales and a 1% increase from non-comp store sales. The increase in comp store sales was driven by an increase in customer traffic.

For the second quarter of fiscal 2024, Marmaxx had strong apparel and home fashions comp store sales growth. For the first six months of fiscal 2024, strong apparel comp store sales growth outperformed home fashions comp store sales growth. For both periods, all geographies generally performed in line with the overall comp store sales increase.

Segment Profit Margin

Segment profit margin increased to 13.7% for the second quarter of fiscal 2024 compared to 12.9% for the same period last year. Segment profit margin increased to 13.8% for the first six months of fiscal 2024 compared to 13.0% for the same period last year. The increase in segment profit margin for both periods was driven by improved merchandise margin, partially offset by higher incentive compensation costs and incremental store wage. Merchandise margin was primarily driven by favorable freight costs and markon, partially offset by higher shrink accrual rates in the current year.

Our Marmaxx e-commerce sites, tjmaxx.com and marshalls.com, together with sierra.com, represented less than 3% of Marmaxx's net sales for both the second quarter and the first six months of fiscal 2024 and fiscal 2023, and did not have a significant impact on year-over-year segment margin comparisons.

HomeGoods

U.S. dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	\$ 2,011	\$ 1,856	\$ 3,977	\$ 3,892
Segment profit	\$ 175	\$ 50	\$ 319	\$ 172
Segment profit margin	8.7 %	2.7 %	8.0 %	4.4 %
Comp store sales	4 %	(13)%	(2)%	(10)%
Stores in operation at end of period:				
HomeGoods			907	862
Homesense			49	40
Total			956	902
Selling square footage at end of period (in millions):				
HomeGoods			17	16
Homesense			1	1
Total			18	17

Net Sales

Net sales for HomeGoods were \$2 billion for the second quarter of fiscal 2024, an increase of 8%, compared to \$1.9 billion for the second quarter of fiscal 2023. This increase in the second quarter reflects a 4% increase from comp store sales and a 4% increase from non-comp store sales. The increase in comp store sales for the second quarter was driven by an increase in customer traffic, partially offset by a decrease in average basket. All geographies performed in line with the overall comp store sales increase.

Net sales for HomeGoods were \$4 billion for the first six months of fiscal 2024, an increase of 2%, compared to \$3.9 billion for the first six months of fiscal 2023. This increase in the first six months reflects a 4% increase from non-comp store sales, partially offset by a 2% decrease from comp store sales. The decrease in comp store sales for the first six months was driven by a decrease in average basket, partially offset by an increase in customer traffic. All geographies performed in line with the overall comp store sales decline.

Segment Profit Margin

Segment profit margin increased to 8.7% for the second quarter of fiscal 2024 compared to 2.7% for the same period last year. The increase in segment profit margin for the second quarter of fiscal 2024 was driven by higher merchandise margin, partially offset by higher incentive compensations costs and incremental store wage. Merchandise margin was driven by favorable freight costs, partially offset by lower markon.

Segment profit margin increased to 8.0% for the first six months of fiscal 2024 compared to 4.4% for the same period last year. The increase in segment profit margin for the first six months of fiscal 2024 was driven by higher merchandise margin driven by favorable freight costs, partially offset by deleverage on lower comp store sales, primarily in occupancy and administrative costs and incremental store wage.

Our HomeGoods e-commerce website, homegoods.com, represented less than 1% of HomeGoods net sales for both the second quarter and the first six months of fiscal 2024, and did not have a significant impact on year-over-year segment margin comparisons.

FOREIGN SEGMENTS

TJX Canada

U.S. dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	\$ 1,223	\$ 1,248	\$ 2,261	\$ 2,330
Segment profit	\$ 192	\$ 197	\$ 309	\$ 324
Segment profit margin	15.7 %	15.8 %	13.7 %	13.9 %
Comp store sales ^(a)	1 %	N/A	1 %	N/A
Stores in operation at end of period:				
Winners			299	295
HomeSense			154	150
Marshalls			106	106
Total			559	551
Selling square footage at end of period (in millions):				
Winners			6	6
HomeSense			3	3
Marshalls			2	2
Total			11	11

(a) Comp store sales reported for fiscal 2024 and was not applicable for fiscal 2023.

Net Sales

Net sales for TJX Canada were \$1.2 billion for the second quarter of fiscal 2024, a decrease of 2%, compared to net sales for the second quarter of fiscal 2023. This decrease in the second quarter reflects a negative foreign currency exchange rate impact of 4%, partially offset by a 1% increase in comp store sales and a 1% increase in non-comp store sales.

Net sales for TJX Canada were \$2.3 billion for the first six months of fiscal 2024, a decrease of 3%, compared to net sales for the first six months of fiscal 2023. This decrease in the first six months reflects a negative foreign currency exchange rate impact of 5%, partially offset by a 1% increase in comp store sales and a 1% increase in non-comp store sales.

The increase in comp store sales for both the second quarter and first six months of fiscal 2024 was driven by an increase in customer traffic, partially offset by a decrease in average basket.

Segment Profit Margin

Segment profit margin decreased to 15.7% for the second quarter of fiscal 2024 compared to 15.8% for the same period last year. The decrease for the second quarter of fiscal 2024 was driven by higher incentive compensation costs, partially offset by higher merchandise margin. Merchandise margin reflects favorable freight costs, partially offset by higher markdowns, higher shrink accrual rates in the current year, and lower markon.

Segment profit margin decreased to 13.7% for the first six months of fiscal 2024 compared to 13.9% for the same period last year. The decrease for the first six months of fiscal 2024 was driven by higher administrative costs and higher incentive compensation costs, which were partially offset by higher merchandise margin. Merchandise margin reflects favorable freight costs, partially offset by higher shrink accrual rates in the current year.

TJX International

U.S. dollars in millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
Net sales	\$ 1,621	\$ 1,503	\$ 3,034	\$ 2,920
Segment profit	\$ 32	\$ 105	\$ 70	\$ 118
Segment profit margin	2.0 %	7.0 %	2.3 %	4.0 %
Comp store sales ^(a)	3 %	N/A	4 %	N/A
Stores in operation at end of period:				
T.K. Maxx			636	626
Homesense			79	77
T.K. Maxx Australia			76	71
Total			791	774
Selling square footage at end of period (in millions):				
T.K. Maxx			13	13
Homesense			1	1
T.K. Maxx Australia			1	1
Total			15	15

(a) Comp store sales reported for fiscal 2024 and was not applicable for fiscal 2023.

Net Sales

Net sales for TJX International were \$1.6 billion for the second quarter of fiscal 2024, an increase of 8%, compared to \$1.5 billion for the second quarter of fiscal 2023. This increase in the second quarter reflects a positive foreign currency exchange rate impact of 4%, a 3% increase in comp store sales and a 1% increase in non-comp store sales.

Net sales for TJX International were \$3 billion for the first six months of fiscal 2024, an increase of 4%, compared to \$2.9 billion for the first six months of fiscal 2023. This increase in the first six months of fiscal 2024 reflects a 4% increase in comp store sales and a 1% increase in non-comp store sales, partially offset by a negative foreign currency exchange rate impact of 1%.

The increase in comp store sales for both the second quarter and first six months of fiscal 2024 was driven by an increase in both customer traffic and average basket.

During the second quarter of fiscal 2024, TJX International made online shopping available in Germany at tkmaxx.de and in Austria at tkmaxx.at. E-commerce sales represented less than 3% of TJX International's net sales for the second quarters of both fiscal 2024 and fiscal 2023 and less than 4% for the first six months of the same periods.

Segment Profit Margin

Segment profit margin decreased to 2.0% for the second quarter of fiscal 2024 compared to 7.0% for the same period last year. The decrease for the second quarter of fiscal 2024 was primarily due to a reserve related to a German government COVID program receivable, and higher administrative costs, incremental store wage and higher incentive compensation costs, partially offset by the favorable impact of transactional foreign exchange.

Segment profit margin decreased to 2.3% for the first six months of fiscal 2024 compared to 4.0% for the same period last year. The decrease for the first six months of fiscal 2024 was primarily due to a reserve related to a German government COVID program receivable, and higher administrative costs, incremental store wage and higher incentive compensation costs, partially offset by the favorable impact of transactional foreign exchange and higher merchandise margin. Merchandise margin reflects strong markon and favorable freight costs.

GENERAL CORPORATE EXPENSE

In millions	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022
General corporate expense	\$ 194	\$ 188	\$ 350	\$ 265

General corporate expense for segment reporting purposes represents those costs not specifically related to the operations of our business segments. General corporate expenses are primarily included in SG&A expenses. The mark-to-market adjustment of our fuel and inventory hedges is included in cost of sales, including buying and occupancy costs.

The increase in general corporate expense for the second quarter of fiscal 2024 was primarily driven by a contribution to TJX's U.S. charitable foundation and higher incentive and share-based compensation costs, partially offset by favorable mark-to-market adjustments on fuel and inventory hedges.

The increase in general corporate expense for the first six months of fiscal 2024 was primarily driven by higher incentive and share-based compensation costs, a contribution to TJX's U.S. charitable foundation and unfavorable mark-to-market adjustments on fuel hedges, partially offset by favorable mark-to-market adjustments on inventory hedges.

ANALYSIS OF FINANCIAL CONDITION

Liquidity and Capital Resources

Our liquidity requirements have traditionally been funded through cash generated from operations, supplemented, as needed, by short-term bank borrowings and the issuance of commercial paper. As of July 29, 2023, there were no short-term bank borrowings or commercial paper outstanding. We believe our existing cash and cash equivalents, internally generated funds and our credit facilities, under which facilities we have \$1.5 billion available as of the period ended July 29, 2023, as described in Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements, are adequate to meet our operating needs for the foreseeable future.

As of July 29, 2023, we held \$4.6 billion in cash. Approximately \$1.3 billion of our cash was held by our foreign subsidiaries with \$771 million held in countries where we intend to indefinitely reinvest any undistributed earnings. We have provided for all applicable state and foreign withholding taxes on all undistributed earnings of our foreign subsidiaries in Canada, Puerto Rico, Italy, India, Hong Kong and Vietnam through July 29, 2023. If we repatriate cash from such subsidiaries, we should not incur additional tax expense and our cash would be reduced by the amount of withholding taxes paid.

We monitor debt financing markets on an ongoing basis and from time to time may incur additional long-term indebtedness depending on prevailing market conditions, liquidity requirements, existing economic conditions and other factors. In fiscal 2024 we have used, and in the future we may continue to use, operating cash flow and cash on hand to repay portions of our indebtedness, depending on prevailing market conditions, liquidity requirements, existing economic conditions, contractual restrictions and other factors. As such, we may, from time to time, seek to retire, redeem, prepay or purchase our outstanding debt through redemptions, cash purchases, prepayments, refinancings and/or exchanges, in open market purchases, privately negotiated transactions, by tender offer or otherwise. If we use our operating cash flow and/or cash on hand to repay our debt, it will reduce the amount of cash available for additional capital expenditures.

Operating Activities

Operating activities resulted in net cash inflows of \$2.1 billion for the six months ended July 29, 2023 and net cash inflows of \$6 million for the six months ended July 30, 2022.

Operating cash flows increased compared to fiscal 2023 primarily due to the \$1.4 billion change in merchandise inventories net of accounts payable, due to elevated inventories in the prior year attributable to larger in-transit inventory associated with the fiscal 2023 supply chain delays.

Investing Activities

Investing activities resulted in net cash outflows of \$819 million for the six months ended July 29, 2023 and \$703 million for the six months ended July 30, 2022. The cash outflows for both periods were driven by capital expenditures.

Investing activities in the first six months of fiscal 2024 primarily reflected property additions for store improvements and renovations, investments in our new stores, as well as investments in our distribution centers and offices, including information technology. We anticipate that capital spending for the full fiscal year 2024 will be approximately \$1.7 billion to \$1.9 billion. We plan to fund these expenditures with our existing cash balances and through internally generated funds.

Financing Activities

Financing activities resulted in net cash outflows of \$2.2 billion for the first six months of fiscal 2024 and net cash outflows of \$1.9 billion for the first six months of fiscal 2023. The cash outflows for both periods were primarily driven by equity repurchases and dividend payments. Additionally the first six months of fiscal 2024 included a \$500 million debt repayment upon maturity.

Debt

The cash outflows in the first six months of fiscal 2024 were due to the repayment of our \$500 million 2.500% ten-year Notes due May 2023 during the second quarter of fiscal 2024, upon maturity. For further information regarding long-term debt, see Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements.

Equity

Under our stock repurchase programs, we paid \$1 billion to repurchase and retire 13.1 million shares of our stock on a settlement basis in the first six months of fiscal 2024. As of July 29, 2023, approximately \$2.5 billion remained available under our existing stock repurchase programs. We paid \$1.3 billion to repurchase and retire 21.5 million shares of our stock on a settlement basis in the first six months of fiscal 2023. We currently plan to repurchase approximately \$2 billion to \$2.5 billion of stock under our stock repurchase programs in fiscal 2024. For further information regarding equity repurchases, see Note D – Capital Stock and Earnings Per Share of Notes to Consolidated Financial Statements.

The Inflation Reduction Act of 2022, which became law in August 2022, levies a 1% excise tax on net stock repurchases after December 31, 2022. Beginning on January 1, 2023, these purchases are subject to the excise tax. The excise tax on the net stock repurchase portion of the IRA did not have a material impact on our results of operations or financial position for the first six months ended July 29, 2023. See Note J—Income Taxes of Notes to Consolidated Financial Statements for additional information.

Dividends

We declared quarterly dividends on our common stock of \$0.3325 per share in the first six months of fiscal 2024 and \$0.295 per share in the first six months of fiscal 2023. Cash payments for dividends on our common stock totaled \$725 million for the first six months of fiscal 2024 and \$655 million for the first six months of fiscal 2023.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

There have been no material changes to the critical accounting estimates as discussed in TJX's Annual Report on Form 10-K for the fiscal year ended January 28, 2023. For a discussion of accounting standards, see Note A—Basis of Presentation and Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements included in TJX's Annual Report on Form 10-K for the fiscal year ended January 28, 2023 and Note A—Basis of Presentation and Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

FORWARD-LOOKING STATEMENTS

Various statements made in this Quarterly Report on Form 10-Q are forward-looking, and are inherently subject to a number of risks and uncertainties. All statements that address activities, events or developments that we intend, expect or believe may occur in the future are forward-looking statements, including, among others, statements regarding the Company's anticipated operating and financial performance, business plans and prospects, anticipated dividends and share repurchases, plans with respect to long-term indebtedness, and the Company's plans related to, and expected impact of, a pension payout offer. These statements are typically accompanied by the words "aim," "anticipate," "aspire," "believe," "continue," "could," "should," "estimate," "expect," "forecast," "goal," "hope," "intend," "may," "plan," "project," "potential," "seek," "strive," "target," "will," "would," or similar words, although not all forward-looking statements contain these identifying words. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Applicable risks and uncertainties include, among others, execution of buying strategy and inventory management; customer trends and preferences; competition; various marketing efforts; operational and business expansion; management of large size and scale; COVID-19 or other public health and public safety issues that affect our operations and consumers; merchandise sourcing and transport; data security and maintenance and development of information technology systems; labor costs and workforce challenges; personnel recruitment, training and retention; corporate and retail banner reputation; evolving corporate governance and public disclosure regulations and expectations with respect to environmental, social and governance matters; expanding international operations; fluctuations in quarterly operating results and market expectations; inventory or asset loss; cash flow; mergers, acquisitions, or business investments and divestitures, closings or business consolidations; real estate activities; economic conditions and consumer spending; market instability; severe weather, serious disruptions or catastrophic events; disproportionate impact of disruptions in the second half of the fiscal year; commodity availability and pricing; fluctuations in currency exchange rates; compliance with laws, regulations and orders and changes in laws, regulations and applicable accounting standards; outcomes of litigation, legal proceedings and other legal or regulatory matters; quality, safety and other issues with our merchandise; tax matters; and other factors that may be described in our filings with the Securities and Exchange Commission (the "SEC"), including our most recent Annual Report on Form 10-K filed with the SEC. You are encouraged to read our filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. We caution investors, potential investors and others not to place considerable reliance on the forward-looking statements contained in this Form 10-Q. The forward-looking statements in this report speak only as of the date of this Form 10-Q, and we do not undertake any obligation to publicly update or revise our forward-looking statements, even if experience or future changes make it clear that any projected results expressed or implied in such statements will not be realized.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in our primary risk exposures or management of market risks from those disclosed in our Annual Report on Form 10-K for the fiscal year ended January 28, 2023.

Item 4. Controls and Procedures

We have carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of July 29, 2023 pursuant to Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Act"). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at the reasonable assurance level in ensuring that information required to be disclosed by us in the reports that we file or submit under the Act is (i) recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of implementing controls and procedures.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Act) during the fiscal quarter ended July 29, 2023 identified in connection with the evaluation by our management, including our Chief Executive Officer and Chief Financial Officer, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See [Note K—Contingent Obligations, Contingencies, and Commitments](#) of Notes to Consolidated Financial Statements for information on legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended January 28, 2023, as filed with the Securities Exchange Commission on March 29, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

INFORMATION ON SHARE REPURCHASES

The number of shares of common stock repurchased by TJX during the second quarter of fiscal 2024 and the average price paid per share are as follows:

	Total Number of Shares Repurchased ^(a)	Average Price Paid Per Share ^(b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(c)	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs ^(c)
April 30, 2023 through May 27, 2023	1,215,308	\$ 78.17	1,215,308	\$ 2,948,794,011
May 28, 2023 through July 1, 2023	3,045,032	\$ 80.46	3,045,032	\$ 2,703,795,615
July 2, 2023 through July 29, 2023	2,463,325	\$ 85.25	2,463,325	\$ 2,493,795,699
Total	6,723,665		6,723,665	

(a) Consists of shares repurchased under publicly announced stock repurchase programs.

(b) Includes commissions for the shares repurchased under stock repurchase programs.

(c) In February 2023, we announced that our Board of Directors had approved a new stock repurchase program that authorized the repurchase of up to an additional \$2 billion of our common stock from time to time. Under this program and a previously announced program, we had approximately \$2.5 billion available for repurchase as of July 29, 2023.

Item 5. Other Information

During the fiscal quarter ended July 29, 2023, none of our directors or officers adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description	Incorporate by Reference		
		Form	Exhibit No.	Filing Date
10.1	The Letter Agreement dated June 6, 2023 between Richard Sherr and TJX, filed herewith*			
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith			
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith			
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith			
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith			
101	The following materials from The TJX Companies, Inc.’s Quarterly Report on Form 10-Q for the quarter ended July 29, 2023, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income, (ii) the Consolidated Statements of Comprehensive Income, (iii) the Consolidated Balance Sheets, (iv) the Consolidated Statements of Cash Flows, (v) the Consolidated Statements of Shareholders’ Equity, and (vi) Notes to Consolidated Financial Statements.			
104	The cover page from The TJX Companies, Inc.’s Quarterly Report on Form 10-Q for the quarter ended July 29, 2023, formatted in Inline XBRL (included in Exhibit 101)			

* Management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

THE TJX COMPANIES, INC.
(Registrant)

Date: August 25, 2023

/s/ John Klinger

John Klinger, Chief Financial Officer
(Principal Financial and Accounting Officer)

June 6, 2023

Richard Sherr
The TJX Companies, Inc.
770 Cochituate Road
Framingham, MA 01701

Re: Letter Agreement

Dear Mr. Sherr,

This letter agreement (the “Agreement”) sets forth the agreement between you and The TJX Companies, Inc. (collectively and together with its subsidiaries and affiliates, and their respective successors, assigns, and nominees, “TJX”), effective as of August 1, 2023 (the “Effective Date”). You hereby acknowledge and agree to the following:

1. **Term.** Following your scheduled retirement from TJX on July 14, 2023 (the “Retirement”), you agree to provide consulting services to TJX from the Effective Date through April 30, 2024 (the “Consulting Period”). The Consulting Period (i) may be terminated by you upon the expiration of thirty (30) days following written notice to TJX; (ii) may be terminated by TJX at any time; and (iii) may be extended by mutual written agreement. At the expiration or other termination of the Consulting Period, this Agreement shall terminate immediately and TJX shall have no further obligation to you hereunder other than for payment for the Services and expense reimbursement, in accordance with the Agreement, through the date of termination. Your obligations under paragraphs 3, 4, 5, 6, 7, 8 and 10 of this Agreement, and any other provisions necessary or desirable to accomplish the objectives of those provisions, shall survive any termination of this Agreement.
2. **Services.** You shall perform such services (the “Services”) consisting of merchant coaching, strategic merchandising advice, expertise and training, oversight and support of TJX University, and/or in such other areas as may be specified from time to time by the Chief Executive Officer of TJX, or such other representative as TJX may designate by notice to you (the “Authorized Officer”). We anticipate you will provide these Services either remotely or at one of our TJX locations. The days on which you perform the Services, and any travel days for which you are entitled to payment under this Agreement, must be approved in advance by the Authorized Officer. You and TJX acknowledge and agree that, although the need for Services may fluctuate during the Consulting Period, the Services are expected to be provided at an average rate that is no more than 20% of your historical average level of services for TJX during the 36-month period immediately preceding your Retirement. You will be responsible for tracking and recording days/hours worked under this Agreement and will submit to the Authorized Officer a report of days/hours worked at the end of each month during the Consulting Period. Unless otherwise provided by TJX, you shall furnish, at your own expense, the equipment, supplies and other materials used to perform the Services. To the extent you perform any Services on TJX’s premises, travel for the purpose of providing Services to TJX, or use TJX’s equipment, you shall comply with all applicable TJX policies as amended and in effect from time to time relating to business and office conduct, travel, health and safety and use of TJX’s facilities, supplies, information technology, equipment, networks and other resources. You may contact the Authorized Officer for information about these policies.

3. **Consulting Fee; No Other Compensation or Benefits.** As full compensation for the Services performed during the Consulting Period, TJX will (a) pay you a consulting fee in the total amount of \$522,000, to be paid in equal monthly installments at the end of each calendar month of the Consulting Period, subject to your continued provision of the Services and prorated for any partial months; and (b) reimburse reasonable travel expenses (without any mark-up or premium) in accordance with and subject to the TJX travel policy, and approved in advance by TJX, in connection with your performance of the Services. At the end of each calendar month of the Consulting Period, you shall submit an invoice to TJX indicating any authorized travel or business expenses approved by TJX in advance. TJX will make all related reimbursement payments due to you hereunder no later than thirty (30) days following receipt of your invoice. Except as provided in this paragraph 3, you will not be entitled to any other compensation or expense reimbursement and will not be entitled to participate in, continue to receive vesting credit for, or receive benefits under any employee benefit or other benefit plan, program or arrangement of any kind maintained by TJX, including, without limitation, life, medical, and disability benefits, pension, profit sharing or other retirement plans, equity or incentive-based plans, or other fringe benefits with respect to the Consulting Period, regardless of how the Services are characterized by any other person (including any governmental agency), with the exception of (a) any right you may have to continue your participation and that of your eligible dependents, if any, in TJX's group health plans under the federal law known as "COBRA" in respect of your prior employment and (b) any compensation or benefits in connection with your Retirement, as specified in that certain letter agreement dated April 28, 2022 by and between you and TJX (the "April 2022 Letter Agreement"). You expressly acknowledge and agree that you have no rights to any TJX benefits, including, for the avoidance of doubt, with respect to any service-based vesting of equity awards or other incentives, except as set forth in the April 2022 Letter Agreement or rights under COBRA as provided in the preceding sentence, and agree not to make any claim for any such benefits and to indemnify and hold TJX and its plans and all those connected with them harmless from all liabilities and expenses in any way arising out of such claim by you or by anyone claiming through you.
4. **Relationship of the Parties; Limitations on Authority.** TJX and you acknowledge and agree that you are an independent contractor in the performance of the Services under this Agreement and that nothing contained in this Agreement is intended to create or continue an employment relationship, partnership, or joint venture between TJX and you. As an independent contractor, you will work independently and will not receive training or direction from TJX, other than as to the goals to be achieved through the Services. You are free to accept engagements from others during the Consulting Period, subject to (i) your obligations under this Agreement and (ii) your continuing obligations under The TJX Companies, Inc. Executive Severance Plan, as modified by your participation agreement thereunder, and Sections 8 through 12 of the employment agreement between you and TJX dated February 2, 2018, as most recently amended as of January 29, 2021 (collectively, the "Continuing Obligations"). You shall have no right, power, or authority to bind TJX to the fulfillment of any condition, contract, or obligation or to create any liability binding on TJX at any time during the Consulting Period or thereafter. TJX will not be responsible for any expenses or liabilities incurred by you in connection with your performance of the Services (except for any expenses eligible for reimbursement in accordance with paragraph 3), and you shall be solely responsible for any persons employed or engaged by you in connection with the performance of the Services and shall indemnify TJX and hold it harmless against any claims made by or on behalf of any such employees, contractors, or agents.
5. **Taxes & Insurance.** As an independent contractor, you shall be solely responsible for all insurance, including but not limited to workers' compensation insurance and unemployment insurance, and for the payment of (i) any and all federal, state and local income and other taxes on any sums received from TJX or its affiliates under this Agreement, and (ii) any taxes or interest under Section 409A of the Internal Revenue Code arising from your termination of employment as a result of your Retirement and/or the level of Services provided during the Consulting Period ("409A-Related Amounts"). You shall indemnify TJX and hold it harmless from and against any and all obligations imposed on TJX to pay withholding taxes, social security, unemployment, or other taxes, interest, fees or penalties, including any 409A-Related Amounts, in connection with any payments made to you, or your provision of the Services, pursuant to this Agreement.

6. **Confidentiality; TJX Property.** You acknowledge the importance to TJX of protecting its confidential information and other legitimate business interests, including without limitation, the valuable trade secrets and good will that it has developed or acquired. You further acknowledge that TJX is engaged in a highly competitive business, and that its success in the marketplace depends upon the preservation of its confidential information and industry reputation. You hereby agree that all Confidential Information (as defined below), including but not limited to confidential information that you create or to which you have access or have had access as a result of your prior or continuing association with TJX (including your performance of the Services under this Agreement), is and shall remain the sole and exclusive property of TJX. Except as required for the proper performance of the Services for TJX, as expressly authorized in writing in advance by TJX, or as required by applicable law, you agree that (a) you will keep Confidential Information confidential and (b) you will never, directly or indirectly, use or disclose any Confidential Information. Furthermore, you agree that any permitted disclosure of Confidential Information shall be made only on a strictly confidential basis in such a manner as to prevent unauthorized disclosure, duplication or use, and you shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of Confidential Information including, without limiting the foregoing, at least those measures that you take to protect your own most highly confidential information. These restrictions and obligations shall apply during the Consulting Period and shall continue to apply after the termination of the Consulting Period for any reason. You agree to promptly notify TJX if you receive any subpoena or court order or become aware of any other legal process or requirement that requires you to disclose any Confidential Information, and will provide TJX a reasonable opportunity to seek protection of the Confidential Information prior to your making any such disclosure.

For purposes of this Agreement, “Confidential Information” means any and all confidential, non-public TJX information disclosed, directly or indirectly, to you or accessible by you in connection with your performance of the Services hereunder, whether or not such information is designated “confidential” or “proprietary” or some similar designation, including, without limitation, information disclosed prior to the date hereof; any and all information of TJX, whether or not in writing, that is not generally known by others with whom TJX competes or does business, or with whom it plans to compete or do business; and any and all information, which, if disclosed, would assist in competition against TJX. “Confidential Information” shall further include, without limitation, (a) all proprietary information, including but not limited to information technology systems, servers, computer software (including operating systems, applications and program listings), databases, technical data, business and/or marketing plans and arrangements, processes, know-how, functionality, information regarding any aspect of the Intellectual Property, and other information concerning the business, products and services of TJX, (b) development, research, market research, testing, designs, inventions, marketing and financial activities and strategic plans, including without limitation regarding any existing or proposed acquisition, strategic alliance or joint venture, (c) any and all business and financial data and information about the manner in which the TJX business operates, including but not limited to accounting and business methods, and TJX’s plans for the future, including but not limited to plans for its store brands, products, geographic markets, advertising and promotion; (d) information concerning TJX associates, including but not limited to the methods through which TJX identifies, hires, trains and compensates its associates, and associate compensation, contact information, performance, and conduct; (e) information concerning pricing information, product information, and TJX vendors and suppliers, including but not limited to the identity and special needs of such vendors and suppliers, the individuals at such vendors and suppliers with whom TJX has dealt and individual contact information, past purchases from such vendors and suppliers (including the amounts and types of goods purchased and the amount, timing and method of payment), plans or negotiations for future purchases, and methods of locating and qualifying vendors and suppliers; (f) the identity and special needs of customers, prospective customers and subcontractors; (g) information concerning people and organizations with whom TJX has or has had business relationships and the substance of those relationships, including without limitation the existence of TJX’s business relationship with you and this Agreement; and (h) any and all information that qualifies as personally identifiable information under any federal, state or other law or regulation. For purposes of this Agreement, “trade secrets” means any and all information of TJX, including without limitation a formula, pattern, compilation, program, device, method, technique, product, system, or process, design, prototype, procedure, or code, that (a) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means

by the public or any other person who can obtain economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. You cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, you may be held liable if you unlawfully access trade secrets by unauthorized means. Nothing in this Agreement (1) limits, restricts or in any other way affects your communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity or (2) requires you to notify TJJX about such communication.

TJJX may require you to return Confidential Information to TJJX at any time or to destroy the same and to certify in writing as to its destruction. Upon any such written demand by TJJX that Confidential Information be returned, you shall mail or deliver the Confidential Information to TJJX within twenty-four (24) hours of your receipt of such written demand, and in the event of a written request to destroy such information, shall destroy same and mail or deliver a letter signed by you certifying as to said destruction, within twenty-four (24) hours of your receipt of such written request.

All documents, records and files, in any media of whatever kind, relating to the business, present or otherwise, of TJJX and any copies thereof (collectively, the "Documents"), whether or not prepared by you, shall be the sole and exclusive property of TJJX. Except as required for the proper performance of the Services for TJJX or as expressly authorized in writing in advance by TJJX, you will not copy any Documents or remove any Documents, copies, excerpts or derivations thereof from the premises of TJJX. You will safeguard, and return to TJJX immediately upon the termination of the Consulting Period, and at such other times as may be specified by TJJX, all Documents and other property of TJJX, and all documents, records and files of its customers, subcontractors, vendors and suppliers ("Third-Party Documents"), as well as all other property of such customers, subcontractors, vendors and suppliers, then in your possession or control. Upon request of any duly authorized officer of TJJX, you will also disclose all passwords necessary to enable TJJX to obtain, or that would assist TJJX in obtaining, access to the Documents and Third-Party Documents.

7. **Intellectual Property and Inventions.** You will promptly disclose to TJJX any Intellectual Property, as defined below, developed by you (solely or jointly with others). You hereby assign and agree in the future to assign to TJJX (or as otherwise directed by TJJX) your entire right, title and interest in and to all Intellectual Property. You further agree to waive all claims to moral rights you may have in any Intellectual Property. You agree to provide to TJJX, at TJJX's request, all further cooperation which TJJX determines is necessary or desirable to accomplish the complete transfer of the Intellectual Property and all associated rights to TJJX, and to assure TJJX the full enjoyment of the Intellectual Property, including without limitation executing further applications (both domestic and foreign), specifications, oaths, assignments, consents, releases, government communications and other commercially reasonable documentation, responding to corporate diligence inquiries, and providing good faith testimony by affidavit, declaration and/or deposition, in-person or by other proper means, in support of any effort by TJJX to establish, perfect, defend or otherwise enjoy, in this or any foreign country, its rights acquired pursuant to this Agreement through prosecution of governmental filings, regulatory proceedings, litigation or other means. Your obligations set forth in this paragraph 7 will continue beyond the expiration or termination of the Consulting Period with respect to Intellectual Property conceived, made, created, developed or reduced to practice during the Consulting Period. To the extent you cannot now transfer and assign your entire right, title and interest in and to the Intellectual Property, or any portion thereof, then you will assign and transfer to TJJX at your first opportunity to do so all right, title and interest in and to the Intellectual Property. To the extent that you cannot so assign and transfer any of your right, title and interest in and to the Intellectual Property, then you hereby grant TJJX an irrevocable, worldwide, fully paid-up, royalty-free, exclusive license, with the right to sublicense through multiple tiers, to make, use, sell, improve, reproduce, distribute, perform, display, transmit, manipulate in any manner, create derivative works based upon, and otherwise exploit or utilize in any manner the Intellectual Property. For purposes of this Agreement, "Intellectual Property" means any and all inventions, discoveries, developments, improvements, enhancements, methods, processes,

compositions, computer codes, works, concepts and ideas (whether or not patentable, copyrightable, or constituting trade secrets) conceived, made, created, developed or reduced to practice by you, whether alone or with others, as a result of your prior or continuing association with TJX (including during your performance of the Services under this Agreement for TJX) that relate in any way to the business, operations or products of TJX, or to any prospective activity of TJX, or which make use of the Confidential Information or facilities or equipment of TJX, including without limitation TJX's computers, computer networks, data connections, and/or mobile devices; provided, however, that the term "Intellectual Property" shall not apply to any invention that you develop or developed on your own time, without using the equipment, supplies, facilities, Confidential Information or trade secret information of TJX, unless such invention (a) is or was related to, at the time of conception or reduction to practice of the invention, the business of TJX or to the actual or demonstrably anticipated research or development of TJX or (b) results from any work performed by you for TJX.

8. **Other Business Activities.** You may be engaged or employed in any other business, trade, profession or other activity during the Consulting Period; provided that any such engagement or employment (a) does not prevent you from performing, or interfere in any manner with your performance of, the Services as described herein; and (b) does not otherwise place you in a conflict of interest with TJX. In connection with the cessation of your employment as a result of your Retirement and in consideration of TJX's grant of access to you of Confidential Information during the Consulting Period, your engagement during the Consulting Period, the consulting fee and any reimbursement to which you may be entitled in accordance with paragraph 3, and other good and valuable consideration, the receipt and sufficiency of which you hereby acknowledge, you agree that the following restrictions on your activities during and after the Consulting Period shall apply to you (in addition to the Continuing Obligations) and are reasonable and necessary to protect the legitimate interests of TJX: During the Consulting Period, including any extension thereof as provided in paragraph 1, and for six (6) months thereafter, you shall not be engaged, directly or indirectly, in any business activities that compete with TJX, if such activities involve any of the services you have provided to TJX during the last two (2) years of your employment or during the Consulting Period, or undertake any planning or advising for any business competitive with the business of TJX (as conducted or under consideration at any time during the Consulting Period), without TJX's prior written consent to be given or withheld in its sole discretion. The restrictions on competition contained herein are limited to any geographic area in which you, at any time during the last two (2) years of your employment with TJX or during the Consulting Period, provided services or had a material presence or influence. Further, the restrictions on competition herein shall not apply in the event of a termination of the engagement without Cause by TJX. "Cause" means (a) any reasonable basis for TJX's dissatisfaction with you, including for reasons such as lack of capacity or diligence, failure to conform to usual standards of conduct, or other culpable or inappropriate behavior, or (b) any other grounds for termination of the Services that are reasonably related, in TJX's honest judgment, to the needs of the business of TJX. You understand that the foregoing shall not prevent your passive ownership of one percent (1%) or less of the equity securities of any publicly traded company. You also agree that the period of restriction set forth in this paragraph 8 shall be tolled, and shall not run, during any period of time in which you are in violation of the terms thereof up to a maximum restricted period of twelve (12) months following the Consulting Period, in order that TJX shall have all of the agreed-upon temporal protections recited herein.
9. **Representations and Warranties.** You represent and warrant to TJX that:
- a. you have the right to enter into this Agreement, to grant the rights granted herein, and to perform fully all of your obligations in this Agreement;
 - b. your entering into this Agreement with TJX and your performance of the Services do not and will not conflict with or result in any breach or default under any other obligation or agreement to which you are bound, and, except as you have disclosed in writing to TJX no later than the time you return an executed copy of this Agreement, you are not now subject to any covenants against competition or similar covenants or other obligations to third parties or to any court order, judgment or decree that could affect your performance of this Agreement and the Services hereunder;

- c. you have the required skill, experience, and qualifications to perform the Services, you shall perform the Services in a professional and diligent manner in accordance with best industry standards for similar services and you shall devote sufficient resources to ensure that the Services are performed in a timely and reliable manner;
 - d. you shall perform the Services in compliance with all applicable laws, rules and regulations of the United States and any state, country or locality;
 - e. without express prior written consent of TJX, you agree not to publish or use any advertising, sales promotion, mailing or publicity matter wherein the names of TJX, its divisions, subsidiaries and/or affiliates are mentioned or their identity implied; and
 - f. TJX will receive good and valid title to all deliverables to be provided by you to TJX, free and clear of all encumbrances and liens of any kind; all deliverables to be provided by you to TJX are and shall be your original work (except for material in the public domain or provided by TJX) and do not and will not violate or infringe upon the intellectual property right or any other right whatsoever of any person, firm, corporation or other entity; and you will not disclose to or use on behalf of TJX, or induce TJX to use, any proprietary information of any previous employer or other third party without that party's consent.
10. **Indemnification.** You shall defend, indemnify and hold harmless TJX and its officers, directors, employees, agents, successors and assigns from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind (including reasonable attorneys' fees) arising out of or resulting from the direct or indirect disclosure by you (or your agents or affiliates) of any Confidential Information in breach of this Agreement or other breach by you (or your agents or affiliates) of any representation, warranty or obligation under this Agreement. TJX may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to you.
11. **Remedies.** You further acknowledge and agree that in the event of a breach or threatened breach of this Agreement, TJX will be entitled to all judicial relief (including, but not limited to, an injunction against such breach or other equitable relief and monetary damages and reasonable attorneys' fees and expenses) as may be awarded by a court of competent jurisdiction, without the requirement of posting a bond. Nothing herein, however, shall be construed as a waiver of any other legal or equitable remedies which may be available to TJX in the event of a breach of this Agreement.
12. **Notices.** All notices, requests, consents, claims, demands, waivers, and other communications hereunder by you to TJX shall be in writing and addressed to the Chief Human Resources Officer, and a separate copy addressed to the General Counsel, each at The TJX Companies, Inc., 770 Cochituate Road, Framingham, MA 01701, or to such other representative or address as TJX may designate by notice to you. All notices, requests, consents, claims, demands, waivers and other communications by TJX to you shall be in writing and addressed to your address on file with TJX.
13. **Entire Agreement; Severability; Modification.** This Agreement set forth the entire agreement between you and TJX, and supersedes all prior and contemporaneous communications, agreements, and understandings, written or oral, with respect to the subject matter hereof; provided that, for the avoidance of doubt, the Continuing Obligations and the April 2022 Letter Agreement shall continue in full force and effect in accordance with their respective terms. The provisions of this Agreement are severable, and no breach of any provision of this Agreement by TJX, nor any other claimed breach of contract or violation of law, shall operate to excuse your obligation to comply with your obligations hereunder. This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and an expressly authorized officer of The TJX Companies, Inc. If any provision of this Agreement should, for any reason, be held invalid or unenforceable in any respect, it shall not affect any other provisions, and shall be construed by limiting it so as to be enforceable to the maximum extent permitted by law. Provisions of this Agreement shall survive any termination if so provided in this Agreement or if necessary or desirable to accomplish the purpose of other surviving provisions.

14. **Assignment.** You shall not assign any rights, or delegate or subcontract any obligations, under this Agreement without TJX's prior written consent. Any assignment in violation of the foregoing shall be deemed null and void. TJX may freely assign its rights and obligations under this Agreement at any time. Subject to the above limits on assignment, this Agreement will inure to the benefit of and be binding upon each of the parties hereto and their respective successors, executors, administrators, heirs, representatives and permitted assigns.
15. **Choice of Law.** This is a Massachusetts contract and shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts without regard to the conflict of laws principles thereof. You agree to submit to the exclusive jurisdiction of the state and federal courts located in Massachusetts for the resolution of any matters related to this Agreement.

You acknowledge that (1) TJX provided you with this Agreement by the earlier of (a) the date of a formal offer of engagement from TJX or (b) ten (10) business days before the commencement of engagement with TJX, (2) you have been and are hereby advised of your right to consult an attorney before signing this Agreement, and (3) you have carefully read this Agreement and understand and agree to all of the provisions in this Agreement.

If the foregoing is agreeable to you, please so indicate by signing the enclosed copy. You may revoke your acceptance of this letter agreement at any time within seven (7) business days following the date that you sign it by providing written notice in accordance with paragraph 12. If you do not revoke your acceptance, this letter agreement shall be a binding contract between you and TJX as of the date hereof.

[Signature Page Follows]

THE TJX COMPANIES, INC.

By: /s/ Ernie Herrman
Ernie Herrman
Chief Executive Officer and President

Agreed and accepted:

/s/ Richard Sherr
Richard Sherr

Section 302 Certification

CERTIFICATION

I, Ernie Herrman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The TJX Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 25, 2023

/s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Section 302 Certification

CERTIFICATION

I, John Klinger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The TJX Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 25, 2023

/s/ John Klinger

Name: John Klinger

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of The TJX Companies, Inc. (the "Company"), does hereby certify that to my knowledge:

- 1 the Company's Form 10-Q for the fiscal quarter ended July 29, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 the information contained in the Company's Form 10-Q for the fiscal quarter ended July 29, 2023 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Dated: August 25, 2023

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of The TJX Companies, Inc. (the “Company”), does hereby certify that to my knowledge:

- 1 the Company’s Form 10-Q for the fiscal quarter ended July 29, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2 the information contained in the Company’s Form 10-Q for the fiscal quarter ended July 29, 2023 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Klinger

Name: John Klinger

Title: Chief Financial Officer

Dated: August 25, 2023