

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 May 1, 2021

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 ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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 May 21, 2021: 1,206,487,186

The TJX Companies, Inc.
TABLE OF CONTENTS

PART I

<u>ITEM 1. Financial Statements</u>	<u>3</u>
<u>Consolidated Statements of Income (Loss)</u>	<u>3</u>
<u>Consolidated Statements of Comprehensive Income (Loss)</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>8</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>33</u>

PART II

<u>ITEM 1. Legal Proceedings</u>	<u>34</u>
<u>ITEM 1A. Risk Factors</u>	<u>34</u>
<u>ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>34</u>
<u>ITEM 6. Exhibits</u>	<u>34</u>

<u>SIGNATURES</u>	<u>35</u>
-----------------------------------	---------------------------

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net sales	\$ 10,086,661	\$ 4,408,888
Cost of sales, including buying and occupancy costs	7,255,635	4,414,465
Selling, general and administrative expenses	2,064,992	1,313,920
Interest expense, net	44,688	23,351
Income (loss) before income taxes	721,346	(1,342,848)
(Provision) benefit for income taxes	(187,416)	455,359
Net income (loss)	\$ 533,930	\$ (887,489)
Basic earnings (loss) per share	\$ 0.44	\$ (0.74)
Weighted average common shares – basic	1,205,439	1,197,809
Diluted earnings (loss) per share	\$ 0.44	\$ (0.74)
Weighted average common shares – diluted	1,221,517	1,197,809

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

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

	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net income (loss)	\$ 533,930	\$ (887,489)
Additions to other comprehensive income (loss):		
Foreign currency translation adjustments, net of related tax provision of \$2,898 in fiscal 2022 and tax benefit of \$6,948 in fiscal 2021	22,249	(129,158)
Reclassifications from other comprehensive income (loss) to net income (loss):		
Amortization of prior service cost and deferred gains/losses, net of related tax provisions of \$1,056 in fiscal 2022 and \$1,746 in fiscal 2021	2,901	4,797
Amortization of loss on cash flow hedge, net of related tax provisions of \$603 in fiscal 2022 and \$76 in fiscal 2021	(263)	208
Other comprehensive income (loss), net of tax	24,887	(124,153)
Total comprehensive income (loss)	\$ 558,817	\$ (1,011,642)

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

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

	May 1, 2021	January 30, 2021	May 2, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,775,485	\$ 10,469,570	\$ 4,287,835
Accounts receivable, net	621,177	461,139	172,463
Merchandise inventories	5,114,643	4,337,389	4,945,720
Prepaid expenses and other current assets	440,533	434,977	408,587
Federal, state and foreign income taxes recoverable	64,211	36,262	481,643
Total current assets	15,016,049	15,739,337	10,296,248
Net property at cost	5,067,824	5,036,096	5,201,697
Non-current deferred income taxes, net	135,765	127,191	36,742
Operating lease right of use assets	9,121,628	8,989,998	9,073,898
Goodwill	99,324	98,998	94,469
Other assets	860,844	821,935	712,186
TOTAL ASSETS	\$ 30,301,434	\$ 30,813,555	\$ 25,415,240
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 4,433,295	\$ 4,823,397	\$ 1,071,190
Accrued expenses and other current liabilities	3,536,637	3,471,459	2,187,885
Current portion of operating lease liabilities	1,650,574	1,677,605	1,399,290
Current portion of long-term debt	—	749,684	—
Federal, state and foreign income taxes payable	286,455	81,523	11,182
Total current liabilities	9,906,961	10,803,668	4,669,547
Other long-term liabilities	1,033,236	1,063,902	786,008
Non-current deferred income taxes, net	33,930	37,164	113,229
Long-term operating lease liabilities	7,853,229	7,743,216	7,914,825
Long-term debt	5,334,864	5,332,921	7,192,413
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 1,206,386,746; 1,204,698,124 and 1,197,877,094 respectively	1,206,387	1,204,698	1,197,877
Additional paid-in capital	321,475	260,515	8,104
Accumulated other comprehensive loss	(581,184)	(606,071)	(797,324)
Retained earnings	5,192,536	4,973,542	4,330,561
Total shareholders' equity	6,139,214	5,832,684	4,739,218
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 30,301,434	\$ 30,813,555	\$ 25,415,240

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

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

	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Cash flows from operating activities:		
Net income (loss)	\$ 533,930	\$ (887,489)
Adjustments to reconcile net income (loss) to cash used in operating activities:		
Depreciation and amortization	215,379	219,460
Loss on property disposals and impairment charges	931	26,424
Deferred income tax (benefit)	(16,181)	(48,464)
Share-based compensation	50,536	(11,531)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(156,999)	210,419
(Increase) in merchandise inventories	(750,553)	(136,027)
(Increase) in income taxes recoverable	(27,949)	(434,674)
Decrease (increase) in prepaid expenses and other current assets	12,254	(39,580)
(Decrease) in accounts payable	(410,244)	(1,567,597)
Increase (decrease) in accrued expenses and other liabilities	12,214	(578,178)
Increase (decrease) in income taxes payable	203,740	(13,290)
(Decrease) increase in net operating lease liabilities	(50,319)	65,578
Other, net	(49,466)	34,466
Net cash (used in) operating activities	(432,727)	(3,160,483)
Cash flows from investing activities:		
Property additions	(225,293)	(210,525)
Purchase of investments	(7,345)	(14,792)
Sales and maturities of investments	7,733	4,214
Net cash (used in) investing activities	(224,905)	(221,103)
Cash flows from financing activities:		
Payments on debt	(750,000)	—
Proceeds from long-term debt including revolving credit facilities	—	4,988,452
Payments for debt issuance expenses	—	(33,872)
Payments for repurchase of common stock	—	(201,500)
Cash dividends paid	(315,215)	(278,250)
Proceeds from issuance of common stock	36,539	37,444
Payments of employee tax withholdings for performance based stock awards	(24,426)	(21,765)
Net cash (used in) provided by financing activities	(1,053,102)	4,490,509
Effect of exchange rate changes on cash	16,649	(37,840)
Net (decrease) increase in cash and cash equivalents	(1,694,085)	1,071,083
Cash and cash equivalents at beginning of year	10,469,570	3,216,752
Cash and cash equivalents at end of period	\$ 8,775,485	\$ 4,287,835

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

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

	Thirteen Weeks Ended					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, January 30, 2021	1,204,698	\$ 1,204,698	\$ 260,515	\$ (606,071)	\$ 4,973,542	\$ 5,832,684
Net income	—	—	—	—	533,930	533,930
Other comprehensive income, net of tax	—	—	—	24,887	—	24,887
Cash dividends declared on common stock	—	—	—	—	(314,936)	(314,936)
Recognition of share-based compensation	—	—	50,536	—	—	50,536
Issuance of common stock under Stock Incentive Plan, net of shares used to pay tax withholdings	1,689	1,689	10,424	—	—	12,113
Balance, May 1, 2021	1,206,387	\$ 1,206,387	\$ 321,475	\$ (581,184)	\$ 5,192,536	\$ 6,139,214

	Thirteen Weeks Ended					
	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Par Value \$1				
Balance, February 1, 2020	1,199,100	\$ 1,199,100	\$ —	\$ (673,171)	\$ 5,422,283	\$ 5,948,212
Net (loss)	—	—	—	—	(887,489)	(887,489)
Other comprehensive (loss), net of tax	—	—	—	(124,153)	—	(124,153)
Recognition (reversal) of share-based compensation	—	—	20,304	—	(31,835)	(11,531)
Issuance of common stock under Stock Incentive Plan, net of shares used to pay tax withholdings	2,164	2,164	13,515	—	—	15,679
Common stock repurchased and retired	(3,387)	(3,387)	(25,715)	—	(172,398)	(201,500)
Balance, May 2, 2020	1,197,877	\$ 1,197,877	\$ 8,104	\$ (797,324)	\$ 4,330,561	\$ 4,739,218

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. Investments for which the Company exercises significant influence but does not have control are accounted for under the equity method. 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 30, 2021 (“fiscal 2021”).

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 30, 2021 balance sheet data was derived from audited Consolidated Financial Statements and does not include all disclosures required by GAAP.

COVID-19 Pandemic

The novel coronavirus disease (“COVID-19”), was first identified in December 2019 before spreading worldwide. The Company has been, and may continue to be, impacted by the COVID-19 pandemic. In response to the pandemic, primarily during the first quarter of fiscal 2021, the Company took several steps to strengthen its financial position and balance sheet and to maintain financial liquidity and flexibility. The COVID-19 pandemic is complex and rapidly evolving and the severity and duration of the pandemic is still unknown. Additionally, the resurgence or the emergence of new variants has caused and may continue to cause intermittent or prolonged periods of temporary store closures, and could elicit further actions and recommendations from governments and public health authorities that could impact our operations. In the first quarter of fiscal 2021, the Company temporarily closed all of its stores, distribution centers and offices, and online businesses until the second quarter of fiscal 2021, while during the first quarter of fiscal 2022, our stores in the United States remained open for the entire first quarter, and we had (and continue to have) store closures primarily in Europe and Canada. The Company continues to monitor developments, including government requirements and recommendations at the national, state, and local level that could result in possible additional impacts to our operations. The Company cannot reasonably estimate the duration and severity of this pandemic which has had, and may continue to have, a material impact on its business, results of operations, financial position and cash flows.

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 January 29, 2022 (“fiscal 2022”) and is a 52-week fiscal year. Fiscal 2021 was also a 52-week fiscal year.

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 leases, inventory valuation, impairment of long-lived assets, reserves for uncertain tax positions and loss contingencies to be the most significant accounting policies that involve management estimates and judgments. The Company considered COVID-19 related impacts to its estimates, as appropriate, within its consolidated financial statements and there may be changes to those estimates in future periods. The Company believes that its accounting estimates are appropriate after giving consideration to the ongoing uncertainties surrounding the severity and duration of the COVID-19 pandemic and the associated containment and remediation efforts. Actual amounts could differ from these estimates, and such differences could be material.

Reclassifications

Certain reclassifications have been made to prior year financial information to conform to the current year’s presentation.

Deferred Gift Card Revenue

The following table presents deferred gift card revenue activity:

In thousands	May 1, 2021	May 2, 2020
Balance, beginning of year	\$ 576,187	\$ 500,844
Deferred revenue	323,773	158,948
Effect of exchange rates changes on deferred revenue	2,899	(4,680)
Revenue recognized	(365,854)	(180,062)
Balance, end of period	\$ 537,005	\$ 475,050

The increase in both deferred revenue and revenue recognized versus the prior year reflects the impact of the temporary store and e-commerce closures in the first quarter of fiscal 2021 due to the COVID-19 pandemic. 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 for the thirteen weeks ended May 1, 2021 and May 2, 2020 is as follows:

In thousands	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Operating cash flows paid for operating leases	\$ 531,836	\$ 445,901
Lease liabilities arising from obtaining right of use assets	\$ 488,666	\$ 553,075

During fiscal 2021, the Company negotiated rent deferrals for a significant number of its stores, with repayment primarily throughout fiscal 2022.

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”). Unless otherwise discussed, the Company has reviewed the guidance and have determined that they will not apply or are not expected to be material to its Consolidated Financial Statements upon adoption and therefore are not disclosed.

Note B. Property at Cost

The following table presents the components of property at cost:

In thousands	May 1, 2021	January 30, 2021	May 2, 2020
Land and buildings	\$ 1,723,049	\$ 1,668,381	\$ 1,551,968
Leasehold costs and improvements	3,611,943	3,568,829	3,437,975
Furniture, fixtures and equipment	6,602,759	6,525,615	6,343,510
Total property at cost	\$ 11,937,751	\$ 11,762,825	\$ 11,333,453
Less: accumulated depreciation and amortization	6,869,927	6,726,729	6,131,756
Net property at cost	\$ 5,067,824	\$ 5,036,096	\$ 5,201,697

Depreciation expense was \$212 million for the three months ended May 1, 2021 and \$217 million for the three months ended May 2, 2020.

Note C. Accumulated Other Comprehensive (Loss) Income

Amounts included in accumulated other comprehensive loss are recorded net of taxes. The following table details the changes in accumulated other comprehensive loss for the twelve months ended January 30, 2021 and the three months ended May 1, 2021:

In thousands	Foreign Currency Translation	Deferred Benefit Costs	Cash Flow Hedge on Debt	Accumulated Other Comprehensive (Loss) Income
Balance, February 1, 2020	\$ (457,120)	\$ (215,483)	\$ (568)	\$ (673,171)
Additions to other comprehensive loss:				
Foreign currency translation adjustments (net of taxes of \$2,442)	15,588	—	—	15,588
Recognition of net gains/losses on benefit obligations (net of taxes of \$9,974)	—	30,635	—	30,635
Reclassifications from other comprehensive loss to net income:				
Amortization of loss on cash flow hedge (net of taxes of \$303)	—	—	831	831
Amortization of prior service cost and deferred gains/losses (net of taxes of \$7,298)	—	20,046	—	20,046
Balance, January 30, 2021	\$ (441,532)	\$ (164,802)	\$ 263	\$ (606,071)
Additions to other comprehensive loss:				
Foreign currency translation adjustments (net of taxes of \$2,898)	22,249	—	—	22,249
Reclassifications from other comprehensive loss to net income:				
Amortization of loss on cash flow hedge (net of taxes of \$603)	—	—	(263)	(263)
Amortization of prior service cost and deferred gains/losses (net of taxes of \$1,056)	—	2,901	—	2,901
Balance, May 1, 2021	\$ (419,283)	\$ (161,901)	\$ —	\$ (581,184)

Note D. Capital Stock and Earnings (Loss) Per Share

Capital Stock

Prior to the suspension of the Company's share repurchase program, during the first quarter of fiscal 2021, TJX repurchased and retired 3.2 million shares of its common stock at a cost of \$190 million on a "trade date" basis. TJX reflects stock repurchases in its financial statements on a "settlement date" or cash basis. TJX had cash expenditures under repurchase programs of \$201 million for the three months ended May 2, 2020. These expenditures were funded by cash generated from operations.

In February 2020, the Company announced that its Board of Directors had approved, in January 2020, a new stock repurchase program that authorizes the repurchase of up to an additional \$1.5 billion of TJX common stock from time to time. In February 2019, TJX announced that its Board of Directors had approved an additional stock repurchase program that authorized the repurchase of up to \$1.5 billion of TJX common stock from time to time.

As of May 1, 2021, TJX had approximately \$3.0 billion available under these previously announced stock repurchase programs.

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

Subsequent to the end of the first quarter of fiscal 2022, the Company lifted the temporary suspension of its previously authorized stock repurchase programs.

Earnings (Loss) Per Share

The following table presents the calculation of basic and diluted earnings (loss) per share for net income (loss):

Amounts in thousands, except per share amounts	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Basic earnings (loss) per share:		
Net income (loss)	\$ 533,930	\$ (887,489)
Weighted average common shares outstanding for basic earnings (loss) per share calculation	1,205,439	1,197,809
Basic earnings (loss) per share	\$ 0.44	\$ (0.74)
Diluted earnings (loss) per share:		
Net income (loss)	\$ 533,930	\$ (887,489)
Weighted average common shares outstanding for basic earnings (loss) per share calculations	1,205,439	1,197,809
Assumed exercise / vesting of stock options and awards	16,078	—
Weighted average common shares outstanding for diluted earnings (loss) per share calculation	1,221,517	1,197,809
Diluted earnings (loss) per share	\$ 0.44	\$ (0.74)
Cash dividends declared per share	\$ 0.26	\$ —

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 period. Such options are excluded because they would have an antidilutive effect. There were no such options excluded for the thirteen weeks ended May 1, 2021. For the period ended May 2, 2020, as a result of the net loss for the quarter, all options were antidilutive and therefore have been excluded from the calculation.

The Board of Directors declared a quarterly dividend of \$0.26 per share in the first quarter of fiscal 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 Sheets 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 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 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 2021, TJX entered into agreements to hedge a portion of its estimated notional diesel requirements for fiscal 2022, and during the first three months of fiscal 2022, TJX entered into agreements to hedge a portion of its estimated notional diesel requirements for the first three months of fiscal 2023. The hedge agreements outstanding at May 1, 2021 relate to approximately 48% of TJX's estimated notional diesel requirements for the remainder of fiscal 2022 and approximately 40% of TJX's estimated notional diesel requirements for the first three months of fiscal 2023. These diesel fuel hedge agreements will settle throughout the remainder of fiscal 2022 and throughout the first four months of fiscal 2023. 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. As a result of the COVID-19 pandemic, there was a significant change in the Company's anticipated merchandise purchases during the first quarter of fiscal 2021 and the Company early settled derivative contracts designed to hedge merchandise purchases that would no longer take place. The settlement of these contracts resulted in a net gain of \$25 million in the first quarter of fiscal 2021. The contracts outstanding at May 1, 2021 cover the merchandise purchases the Company is committed to over the next several months. 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. All 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. The inflow of Euros to the central buying entity provides a natural hedge for merchandise purchased from third-party vendors that is denominated in Euros. 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 and intercompany interest payable. 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 May 1, 2021:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at May 1, 2021
Fair value hedges:							
Intercompany balances, primarily debt and related interest:							
zł	45,000	£	8,846	0.1966 Prepaid Exp	\$ 353	\$ —	\$ 353
A\$	80,000	U.S.\$	62,032	0.7754 (Accrued Exp)	—	(98)	(98)
U.S.\$	75,102	£	55,000	0.7323 Prepaid Exp	1,505	—	1,505
£	450,000	U.S.\$	620,918	1.3798 Prepaid Exp / (Accrued Exp)	40	(5,582)	(5,542)
€	200,000	U.S.\$	244,699	1.2235 Prepaid Exp	2,301	—	2,301
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 3.1M – 3.8M gal per month	Float on 3.1M – 3.8M gal per month	N/A	Prepaid Exp	17,816	—	17,816
Intercompany billings in TJX International, primarily merchandise related:							
€	163,000	£	141,240	0.8665 (Accrued Exp)	—	(166)	(166)
Merchandise purchase commitments:							
C\$	574,390	U.S.\$	457,000	0.7956 (Accrued Exp)	—	(11,054)	(11,054)
C\$	29,455	€	19,500	0.6620 (Accrued Exp)	—	(444)	(444)
£	282,746	U.S.\$	391,800	1.3857 Prepaid Exp / (Accrued Exp)	1,939	(3,751)	(1,812)
A\$	50,830	U.S.\$	39,125	0.7697 Prepaid Exp / (Accrued Exp)	42	(356)	(314)
U.S.\$	53,680	€	44,400	0.8271 Prepaid Exp / (Accrued Exp)	185	(267)	(82)
Total fair value of derivative financial instruments					\$ 24,181	\$ (21,718)	\$ 2,463

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at January 30, 2021:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at January 30, 2021
Fair value hedges:							
Intercompany balances, primarily debt and related interest:							
zł	45,000	£	8,846	0.1966 Prepaid Exp	\$ 11	\$ —	\$ 11
A\$	80,000	U.S.\$	62,032	0.7754 Prepaid Exp	738	—	738
U.S.\$	75,102	£	55,000	0.7323 Prepaid Exp	357	—	357
£	200,000	U.S.\$	274,853	1.3743 Prepaid Exp	32	—	32
€	200,000	U.S.\$	244,699	1.2235 Prepaid Exp / (Accrued Exp)	427	(182)	245
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 1.5M – 3.8M gal per month	Float on 1.5M– 3.8M gal per month	N/A	Prepaid Exp	4,880	—	4,880
Merchandise purchase commitments:							
C\$	384,679	U.S.\$	296,000	0.7695 Prepaid Exp / (Accrued Exp)	430	(5,627)	(5,197)
C\$	5,391	€	3,500	0.6492 Prepaid Exp	24	—	24
£	203,264	U.S.\$	263,950	1.2986 (Accrued Exp)	—	(15,086)	(15,086)
zł	30,000	£	5,865	0.1955 (Accrued Exp)	—	(29)	(29)
A\$	46,985	U.S.\$	35,250	0.7502 Prepaid Exp / (Accrued Exp)	144	(837)	(693)
U.S.\$	99,810	€	83,700	0.8386 Prepaid Exp / (Accrued Exp)	1,986	(160)	1,826
Total fair value of derivative financial instruments					\$ 9,029	\$ (21,921)	\$ (12,892)

The following is a summary of TJX's derivative financial instruments, related fair value and balance sheet classification at May 2, 2020:

In thousands	Pay	Receive	Blended Contract Rate	Balance Sheet Location	Current Asset U.S.\$	Current (Liability) U.S.\$	Net Fair Value in U.S.\$ at May 2, 2020
Fair value hedges:							
Intercompany balances, primarily debt and related interest:							
zł	65,000	£	12,780	0.1966 Prepaid Exp	\$ 351	\$ —	\$ 351
€	60,000	£	53,412	0.8902 Prepaid Exp	437	—	437
A\$	110,000	U.S.\$	70,802	0.6437 Prepaid Exp / (Accrued Exp)	1,788	(1,656)	132
U.S.\$	72,475	£	55,000	0.7589 (Accrued Exp)	—	(3,744)	(3,744)
£	200,000	U.S.\$	249,499	1.2475 Prepaid Exp / (Accrued Exp)	999	(2,332)	(1,333)
C\$	350,000	U.S.\$	248,821	0.7109 Prepaid Exp / (Accrued Exp)	640	(478)	162
Economic hedges for which hedge accounting was not elected:							
Diesel fuel contracts	Fixed on 2.9M – 3.5M gal per month	Float on 2.9M – 3.5M gal per month	N/A (Accrued Exp)		—	(30,167)	(30,167)
Intercompany billings in TJX International, primarily merchandise related:							
€	49,100	£	43,144	0.8787 (Accrued Exp)	—	(65)	(65)
Merchandise purchase commitments:							
C\$	77,979	U.S.\$	59,200	0.7592 Prepaid Exp	3,819	—	3,819
£	63,618	U.S.\$	82,200	1.2921 Prepaid Exp	2,469	—	2,469
A\$	17,438	U.S.\$	11,780	0.6755 Prepaid Exp	578	—	578
zł	69,400	£	13,880	0.2000 Prepaid Exp	666	—	666
U.S.\$	30,651	€	27,588	0.9001 Prepaid Exp / (Accrued Exp)	30	(404)	(374)
Total fair value of derivative financial instruments					\$ 11,777	\$ (38,846)	\$ (27,069)

Presented below is the impact of derivative financial instruments on the Consolidated Statements of Income (Loss) for the periods shown:

In thousands	Location of (Loss) Gain Recognized in Income / (Loss) by Derivative	Amount of (Loss) Gain Recognized in Income / (Loss) by Derivative	
		Thirteen Weeks Ended	
		May 1, 2021	May 2, 2020
Fair value hedges:			
Intercompany balances, primarily debt and related interest	Selling, general and administrative expenses	\$ (2,864)	\$ (5,173)
Economic hedges for which hedge accounting was not elected:			
Diesel fuel contracts	Cost of sales, including buying and occupancy costs	13,570	(22,854)
Intercompany billings in TJX International, primarily merchandise related	Cost of sales, including buying and occupancy costs	118	(1,852)
Merchandise purchase commitments	Cost of sales, including buying and occupancy costs	(15,969)	50,135
(Loss) gain recognized in income / (loss)		\$ (5,145)	\$ 20,256

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 thousands	May 1, 2021	January 30, 2021	May 2, 2020
Level 1			
Assets:			
Executive Savings Plan investments	\$ 384,442	\$ 363,729	\$ 296,031
Level 2			
Assets:			
Foreign currency exchange contracts	\$ 6,365	\$ 4,149	\$ 11,777
Diesel fuel contracts	17,816	4,880	—
Liabilities:			
Foreign currency exchange contracts	\$ 21,718	\$ 21,921	\$ 8,679
Diesel fuel contracts	—	—	30,167

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. The fair value of long-term debt as of May 1, 2021 was \$5.8 billion compared to a carrying value of \$5.3 billion. The fair value of long-term debt as of January 30, 2021 was \$5.9 billion compared to a carrying value of \$5.3 billion. The fair value of the current portion of long-term debt as of January 30, 2021 was \$754 million compared to a carrying value of \$750 million. The fair value of long-term debt as of May 2, 2020 was \$7.8 billion compared to a carrying value of \$7.2 billion. These estimates do not necessarily reflect provisions or restrictions in the various debt agreements that might affect TJX’s ability to settle these obligations.

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, where as the 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 May 1, 2021, January 30, 2021 and May 2, 2020, the Company did not record any material impairments to long-lived assets.

Note G. Segment Information

TJX operates four main business segments. The Marmaxx segment (T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and the HomeGoods segment (HomeGoods and Homesense) both operate in the United States, the TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and the TJX International segment operates T.K. Maxx, Homesense and tkmaxx.com in Europe and T.K. Maxx in Australia. In addition to our four main business segments, Sierra operates sierra.com and retail stores 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, sell family apparel and home fashions. HomeGoods and 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 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. 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 alternatives to net income (loss) 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:

	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
In thousands		
Net sales:		
In the United States:		
Marmaxx	\$ 6,640,486	\$ 2,697,779
HomeGoods	2,141,756	759,865
TJX Canada	765,536	379,636
TJX International	538,883	571,608
Total net sales	\$ 10,086,661	\$ 4,408,888
Segment profit (loss):		
In the United States:		
Marmaxx	\$ 824,855	\$ (709,669)
HomeGoods	251,602	(153,703)
TJX Canada	71,577	(97,181)
TJX International	(221,558)	(258,617)
Total segment profit (loss)	926,476	(1,219,170)
General corporate expense	160,442	100,327
Interest expense, net	44,688	23,351
Income (loss) before income taxes	\$ 721,346	\$ (1,342,848)

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:

	Funded Plan		Unfunded Plan	
	Thirteen Weeks Ended		Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020	May 1, 2021	May 2, 2020
In thousands				
Service cost	\$ 12,219	\$ 12,540	\$ 755	\$ 709
Interest cost	12,812	12,519	780	801
Expected return on plan assets	(23,992)	(22,242)	—	—
Amortization of net actuarial loss and prior service cost	2,803	5,509	1,154	1,034
Total expense	\$ 3,842	\$ 8,326	\$ 2,689	\$ 2,544

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 2022 for the funded plan. The Company anticipates making contributions of \$4 million to provide current benefits coming due under the unfunded plan in fiscal 2022.

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 to the Consolidated Statements of Income (Loss), net of related tax effects, for the periods presented.

Note I. Long-Term Debt and Credit Lines

The table below presents long-term debt, exclusive of current installments, as of May 1, 2021, January 30, 2021 and May 2, 2020. All amounts are net of unamortized debt discounts.

In thousands	May 1, 2021	January 30, 2021	May 2, 2020
Revolving credit facilities:			
\$500 million revolver, maturing March 11, 2022	\$ —	\$ —	\$ 500,000
\$500 million revolver, maturing May 10, 2024	—	—	500,000
General corporate debt:			
2.750% senior unsecured notes, redeemed on April 15, 2021 (effective interest rate of 2.76% after reduction of unamortized debt discount of \$25 at January 30, 2021 and \$81 at May 2, 2020)	\$ —	\$ 749,975	\$ 749,919
2.500% senior unsecured notes, maturing May 15, 2023 (effective interest rate of 2.51% after reduction of unamortized debt discount of \$89 at May 1, 2021, \$100 at January 30, 2021 and \$134 at May 2, 2020)	499,911	499,900	499,866
3.500% senior unsecured notes, maturing April 15, 2025 (effective interest rate of 3.58% after reduction of unamortized debt discount of \$3,956 at May 1, 2021, \$4,208 at January 30, 2021 and \$4,966 at May 2, 2020)	1,246,044	1,245,792	1,245,034
2.250% senior unsecured notes, maturing September 15, 2026 (effective interest rate of 2.32% after reduction of unamortized debt discount of \$3,979 at May 1, 2021, \$4,165 at January 30, 2021 and \$4,725 at May 2, 2020)	996,021	995,835	995,275
3.750% senior unsecured notes, maturing April 15, 2027 (effective interest rate of 3.76% after reduction of unamortized debt discount of \$437 at May 1, 2021, \$456 at January 30, 2021 and \$511 at May 2, 2020)	749,563	749,544	749,489
1.150% senior unsecured notes, maturing May 15, 2028 (effective interest rate of 1.18% after reduction of unamortized debt discount of \$907 at May 1, 2021 and \$939 at January 30, 2021)	499,093	499,061	—
3.875% senior unsecured notes, maturing April 15, 2030, see tender offer details below (effective interest rate of 3.89% after reduction of unamortized debt discount of \$553 at May 1, 2021, \$568 at January 30, 2021 and \$1,549 at May 2, 2020)	495,297	495,282	1,248,451
1.600% senior unsecured notes, maturing May 15, 2031 (effective interest rate of 1.61% after reduction of unamortized debt discount of \$595 at May 1, 2021 and \$610 at January 30, 2021)	499,405	499,390	—
4.500% senior unsecured notes, maturing April 15, 2050; see tender offer details below (effective interest rate of 4.52% after reduction of unamortized debt discount of \$2,189 at May 1, 2021, \$2,208 at January 30, 2021 and \$4,405 at May 2, 2020)	383,310	383,291	745,595
Total debt	5,368,644	6,118,070	7,233,629
Current maturities of long-term debt, net of debt issuance costs	—	(749,684)	—
Debt issuance costs	(33,780)	(35,465)	(41,216)
Long-term debt	\$ 5,334,864	\$ 5,332,921	\$ 7,192,413

During the fiscal quarter ended May 2, 2020, given the rapidly changing environment and level of uncertainty created by the COVID-19 pandemic, the Company completed the issuance and sale of (a) \$1.25 billion aggregate principal amount of 3.500% notes due 2025, (b) \$750 million aggregate principal amount of 3.750% notes due 2027, (c) \$1.25 billion aggregate principal amount of 3.875% notes due 2030 and (d) \$750 million aggregate principal amount of 4.500% notes due 2050. Portions of the 3.875% notes due 2030 and 4.500% notes due 2050 were subsequently repurchased, reducing the aggregate principal amount outstanding to \$495.5 million and \$385.5 million, respectively, pursuant to cash tender offers made by the Company in December 2020. Interest on these notes are payable semi-annually.

In November 2020, TJX completed the issuance of (a) \$500 million aggregate principal amount of 1.150% notes due 2028 and (b) \$500 million aggregate principal amount of 1.600% notes due 2031. Interest on these notes are payable semi-annually beginning May 2021.

On April 15, 2021, the Company redeemed all of the outstanding \$750 million in aggregate principal amount of its 2.750% Notes due June 15, 2021 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the redemption date. Subsequent to the end of the first quarter of fiscal 2022, the Company announced make-whole calls for its \$1.25 billion aggregate principal amount of 3.500% Notes maturing in 2025 and its \$750 million aggregate principal amount of 3.750% Notes maturing in 2027 pursuant to notices of redemption issued to holders of such notes in accordance with the applicable indenture. These make-whole calls are expected to settle in June 2021, and once completed the Company anticipates recording a pre-tax loss on the early extinguishment of these notes of approximately \$250 million in the second quarter of fiscal 2022.

During the fiscal quarter ended May 1, 2021, TJX had a \$500 million 364 day revolving credit facility that matures in August 2021 (the “364-Day Revolving Credit Facility”), a \$500 million revolving credit facility that matures in March 2022 (the “2022 Revolving Credit Facility”) and a \$500 million revolving credit facility that matures in May 2024 (the “2024 Revolving Credit Facility”). Under these credit facilities, the Company has borrowing capacity of \$1.5 billion, all of which remains available to the Company. The terms of these revolving credit facilities require quarterly payments on the committed amount and payment of interest on borrowings at rates based on LIBOR or a base rate plus a variable margin, in each case based on the Company’s long term debt ratings. The 2022 Revolving Credit Facility and the 2024 Revolving Credit Facility require usages fees based on total credit extensions under such facilities. As of May 2, 2020, \$1 billion was outstanding under these two facilities, and was subsequently repaid in July 2020. The amounts drawn are included as outstanding long-term debt in the table above. The six month interest rate on these borrowings was 1.757% through May 15, 2020, and increased to 2.007% through the payoff date. As of May 1, 2021 and January 30, 2021, there were no amounts outstanding under any of the Company’s facilities. TJX was in compliance with all covenants related to its credit facilities at the end of all periods presented.

As of May 1, 2021, January 30, 2021 and May 2, 2020, TJX Canada had two uncommitted credit lines, a C\$10 million facility for operating expenses and a C\$10 million letter of credit facility. As of May 1, 2021, January 30, 2021 and May 2, 2020, and during the quarters and year then ended, there were no amounts outstanding on the Canadian credit line. As of May 1, 2021, January 30, 2021 and May 2, 2020, our European business at TJX International had an uncommitted credit line of £5 million. As of May 1, 2021, January 30, 2021 and May 2, 2020, and during the quarters and year then ended, there were no amounts outstanding on the European credit line.

Note J. Income Taxes

The effective income tax rate was 26.0% for the first quarter of fiscal 2022 and 33.9% for the first quarter of fiscal 2021. The decrease in the effective income tax rate was primarily a result of the ability to carry back the anticipated loss from the first quarter of fiscal 2021 to earlier tax years with higher tax rates due to a benefit provided by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) enacted on March 27, 2020.

TJX had net unrecognized tax benefits of \$278 million as of May 1, 2021, \$272 million as of January 30, 2021 and \$256 million as of May 2, 2020.

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 classifies interest and penalties related to income tax matters as part of income tax expense. The total accrued amount on the Consolidated Balance Sheets for interest and penalties was \$38 million as of May 1, 2021, \$36 million as of January 30, 2021 and \$30 million as of May 2, 2020.

Based on the outcome of tax examinations or judicial or administrative proceedings, or as a result of the expiration of statutes of limitations in specific jurisdictions, it is reasonably possible that unrecognized tax benefits for certain tax positions taken on previously filed tax returns may change materially from those presented in the Consolidated Financial Statements. During the next 12 months, it is reasonably possible that tax examinations of prior years’ tax returns or judicial or administrative proceedings that reflect such positions taken by TJX may be finalized. As a result, the total net amount of unrecognized tax benefits may decrease, which would reduce the provision for taxes on earnings, by a range of zero to \$42 million.

Note K. Contingent Obligations and Contingencies

Contingent Obligations

TJX has contingent obligations on leases, for which it was a lessee or guarantor, which were assigned to third parties without TJX being released by the landlords. The Company has had numerous leases from its former operations where its guarantee required it to satisfy some of these lease obligations and TJX established appropriate reserves. The Company may be contingently liable on up to eight leases of former TJX businesses, for which the Company believes the likelihood of future liability to TJX is remote. The Company may also be contingently liable for assignments and subleases if the assignees or subtenants do not fulfill their obligations. TJX estimates the undiscounted value of these contingent obligations as of May 1, 2021 to be approximately \$9 million. TJX believes that most or all of these contingent obligations will not revert to the Company and, to the extent they do, may be resolved for substantially less due to mitigating factors including TJX's ability to potentially further sublet.

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 often limited in time and amount. There are no amounts reflected in the Company's Consolidated Balance Sheets with respect to these contingent obligations.

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. In addition, TJX is a defendant in several lawsuits filed in federal and state courts brought as putative class, collective, and/or representative actions on behalf of various groups of current and former salaried and hourly associates in the U.S. The lawsuits allege violations of the Fair Labor Standards Act and of state wage and hour and other labor statutes. The lawsuits are in various procedural stages and seek monetary damages, injunctive relief and attorneys' fees. In connection with ongoing litigation, an immaterial amount has been accrued in the accompanying Consolidated Financial Statements.

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

The Thirteen Weeks (first quarter) Ended May 1, 2021
Compared to
The Thirteen Weeks (first quarter) Ended May 2, 2020

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 four distinctive branded e-commerce sites. We operate over 4,600 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 and Homesense); TJX Canada (which operates Winners, HomeSense and Marshalls in Canada); and TJX International (which operates T.K. Maxx, Homesense and tkmaxx.com in Europe, and T.K. Maxx in Australia). In addition to our four main segments, Sierra operates sierra.com and retail stores in the U.S. The results of Sierra are included in the Marmaxx segment.

RESULTS OF OPERATIONS

The novel coronavirus disease ("COVID-19") continues to impact our financial results. During the first quarter of fiscal 2022, while our stores in the United States remained open for the entire first quarter, we had store closures primarily in Europe and Canada, and continue to have store closures, as discussed below. Overall, our first quarter results for fiscal 2022 are significantly better than our results for the first quarter of fiscal 2021, when the pandemic resulted in the temporary closure of all our stores for approximately 50% of the quarter.

In addition to comparing current year results to fiscal 2021, we may, where meaningful, also compare these results to a comparable period in fiscal 2020, prior to the emergence of the pandemic. Although we are not fully past the negative impacts of the pandemic, we feel this additional comparison provides insight into how we are managing the business and performing as compared to pre-pandemic results.

Overview of our financial performance for the quarter ended May 1, 2021 includes the following:

- Net sales were \$10.1 billion, \$4.4 billion and \$9.3 billion for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively. As of May 1, 2021, the number of stores in operation (including stores that had been or continue to be temporarily closed due to COVID-19) increased 2% and selling square footage increased 2% compared to the end of the fiscal 2021 first quarter.
- Diluted earnings (loss) per share were \$0.44, \$(0.74) and \$0.57 for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.
- Pre-tax margin (the ratio of pre-tax income (loss) to net sales) was 7.2%, (30.5)% and 10.1% for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.
- Our cost of sales, including buying and occupancy costs, ratio was 71.9%, 100.1% and 71.5% for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.
- Our selling, general and administrative ("SG&A") expense ratio was 20.5%, 29.8% and 18.3% for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.
- 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 8% on a reported basis and down 11% on a constant currency basis at the end of the first quarter of fiscal 2022 as compared to a 7% decrease in average per store inventories on a reported basis and 6% decrease on a constant currency basis in the first quarter of fiscal 2021.
- A dividend of \$0.26 per share was declared in the first quarter of fiscal 2022 and no dividends were declared during the first quarter of fiscal 2021. There were no share repurchases during the first quarter of fiscal 2022. During the first quarter of fiscal 2021, we returned approximately \$0.5 billion to our shareholders through payment of the dividend declared in the fourth quarter of fiscal 2020 and share repurchases.
- In April 2021, we redeemed \$750 million of debt that was due to mature in June 2021 at par.
- Subsequent to the end of the first quarter of fiscal 2022, we announced make-whole calls that will, upon completion, reduce outstanding debt by \$2 billion. We also lifted the temporary suspension of our share repurchase programs.

Recent Events and Trends

COVID-19

COVID-19 was first identified in December 2019 before spreading worldwide and being declared a pandemic by the World Health Organization in March 2020. In response to the COVID-19 pandemic, we temporarily closed all of our stores, online businesses, distribution centers and offices in March 2020, with Associates working remotely where possible. When we began to reopen stores and distribution centers in May 2020, we implemented new health and safety practices, including practices related to personal protective equipment, enhanced cleaning and social distancing protocols (which include occupancy limits and reducing in-store inventory levels). In response to the pandemic, primarily during the first quarter of fiscal 2021, we took several steps to strengthen our financial position and balance sheet and to maintain financial liquidity and flexibility.

In response to increasing cases of COVID-19 and due to government mandates, hundreds of stores had additional temporary closures during the first quarter of fiscal 2022, primarily located in Europe and Canada. Our results for the first quarter of fiscal 2022 and fiscal 2021 were negatively impacted by the temporary closure of our stores for approximately 14% of the first quarter of fiscal 2022 and approximately 50% of the first quarter of fiscal 2021 in the aggregate. This represents total store days closed due to the COVID-19 pandemic as a percentage of potential total store days open.

The below tables represents the first quarter of fiscal 2022 and the first quarter of fiscal 2021 store closures by segment (in percentage of store days closed).

	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Marmaxx	— %	50 %
HomeGoods	—	49
TJX Canada	25	53
TJX International	69	49
Total	14 %	50 %

As of May 23, 2021, we had approximately 260 stores, primarily located in Canada, that were still temporarily closed due to government mandates in response to the COVID-19 pandemic. In total, based on the restrictions currently in place, we expect stores to be closed for approximately 3% of the second quarter of fiscal 2022. All of our e-commerce businesses remained open throughout the first quarter of fiscal 2022, including tkmaxx.com in the U.K. We continue to monitor developments, including government requirements and recommendations at the national, state, and local level that could result in possible additional impacts to our operations.

Impact of Brexit

On December 24, 2020 the U.K. and EU agreed upon the terms of their future trading relationship. As expected, the movement of goods between the U.K. and EU is subject to additional regulatory and compliance requirements, which has had, and is expected to continue to have, a negative impact on our ability to efficiently move merchandise in the region. We have realigned our European division's supply chain to reduce the volume of merchandise flowing between the U.K. and the EU and have established resources and systems to support this plan.

The new trade deal provides for zero customs duties and zero quotas on trade between the U.K. and the EU in goods that are produced in each of the U.K. and the EU. However, a portion of the merchandise we source in the U.K. and the EU is produced somewhere else in the world, and therefore will be subject to additional customs duty costs under the new trade deal. These additional customs duties and the related operational costs are likely to impact the profitability of our European division, at least in the short term.

New immigration requirements between the U.K. and EU countries may also have a negative impact on our ability to recruit and retain current and future talent in the region. We continue to communicate with our Associates about the new immigration requirements.

In addition to these operational impacts, factors including changes in legislation, consumer confidence and behavior, economic conditions, interest rates and foreign currency exchange rates could result in a significant financial impact to our European operations, particularly in the short term. These impacts may not be known until we are fully operational after the COVID-19 restrictions are lifted, as the COVID-19 pandemic has led to modifications of our operations in fiscal 2021 and continuing into fiscal 2022.

Net Sales

Net sales totaled \$10.1 billion, \$4.4 billion and \$9.3 billion for the first quarter of fiscal 2022, fiscal 2021 and fiscal 2020, respectively. Net sales from our e-commerce businesses combined amounted to less than 3% of total sales for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020.

As a result of the extended store closures during fiscal 2021 due to the COVID-19 pandemic and our policy relating to the treatment of extended store closures when calculating comp store sales, we had no stores classified as comp stores at the end of the first quarter fiscal 2022 and fiscal 2021. Our historical definition of comp store sales is presented below for reference.

Open-Only Comp Store Sales

In order to provide a performance indicator for our stores as they reopened, since the second quarter of fiscal 2021, we have been temporarily reporting a new sales measure, open-only comp store sales. Open-only comp store sales includes stores initially classified as comp stores at the beginning of fiscal 2021 that have had to temporarily close due to the COVID-19 pandemic. For the first quarter of fiscal 2022, this measure reports the sales increase or decrease of these stores for the days the stores were open in the current period against sales for the same days in the first quarter of fiscal 2020 prior to the pandemic. Open-only comp sales of our foreign segments are calculated by translating the current year using the first quarter of fiscal 2020's exchange rates.

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.

Q1 Fiscal 2022 vs Q1 Fiscal 2021

Net sales increased 129% in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021 due to the temporary closures of all stores and online businesses during the first quarter of fiscal 2021 as a result of the COVID-19 pandemic. Stores were closed for approximately 14% of the first quarter of fiscal 2022, primarily in Europe and portions of Canada, as compared to stores across all geographies being closed for approximately 50% of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic.

Q1 Fiscal 2022 vs Q1 Fiscal 2020

Net sales increased 9% in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2020. Open-only comp store sales were up 16% for fiscal 2022 as compared to fiscal 2020. This reflects an increase in average basket across all divisions partially offset by a reduction in customer traffic. Home fashion across all major segments outperformed apparel for the first quarter of fiscal 2022.

Historical Definition of Comp Store Sales

We are temporarily reporting a new sales measure, open-only comp store sales, as described above. The following reflects the way that we have historically classified and reported comp sales results.

Historically, we defined comparable store sales, or comp 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 calculated comp 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 sales ("non-comp sales") consist of sales from:

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

We determine which stores are included in the comp 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. Beginning in fiscal 2020, Sierra stores that otherwise fit the comp store definition are included in comp stores in our Marmaxx segment.

Comp sales of our foreign segments are calculated by translating the current year's comp 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 sales may be referred to as “same store” sales by other retail companies. The method for calculating comp sales varies across the retail industry, therefore our measure of comp sales may not be comparable to that of other retail companies.

The following table sets forth certain information about our operating results as a percentage of net sales for the following periods:

	Thirteen Weeks Ended		
	May 1, 2021	May 2, 2020	May 4, 2019
Net sales	100.0 %	100.0 %	100.0 %
Cost of sales, including buying and occupancy costs	71.9	100.1	71.5
Selling, general and administrative expenses	20.5	29.8	18.3
Interest expense, net	0.4	0.5	—
Income (loss) before provision for income taxes*	7.2 %	(30.5)%	10.1 %

* Figures may not foot due to rounding.

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 referred to as “transactional foreign exchange,” also described below.

Translation Foreign Exchange

In our 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 net sales, net income (loss) and earnings (loss) 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 (loss) 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, was \$7.3 billion, or 71.9% of net sales, \$4.4 billion, or 100.1% of net sales and \$6.6 billion, or 71.5% of net sales for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.

Q1 Fiscal 2022 vs Q1 Fiscal 2021

The increase in the total cost of sales, including buying and occupancy costs, was mainly attributable to the reduction in cost of merchandise sold due to a lower level of sales in the first quarter of fiscal 2021, due to our stores being temporarily closed in the aggregate for approximately 50% of the first quarter of fiscal 2021. In addition, merchandise margin significantly improved compared to the first quarter of fiscal 2021 primarily driven by lower markdowns in the first quarter of fiscal 2022 as a result of the incremental markdowns taken in fiscal 2021 due to the temporary store closures. The first quarter of fiscal 2022 also reflects higher supply chain costs.

Cost of sales, including buying and occupancy costs was favorably impacted by approximately \$21 million and \$35 million of government programs for the first quarters of fiscal 2022 and fiscal 2021, respectively, in regions where we had closures.

Q1 Fiscal 2022 vs Q1 Fiscal 2020

The increase in the expense ratio of 0.4% in the first quarter of fiscal 2022 compared to fiscal 2020 reflects higher supply chain costs primarily driven by higher wages and expenses related to the additional distribution capacity. Additionally, in the first quarter of fiscal 2022, the expense deleveraged on the supply chain costs due to lost sales as a result of the temporary store closures. The increase in the expense ratio was partially offset by the leverage on our occupancy costs due to the strong open-only comp sales growth as well as improved merchandise margin in the first quarter of fiscal 2022. Merchandise margin reflects strong markon and lower markdowns, mostly offset by higher freight costs.

Selling, General and Administrative Expenses

SG&A expenses were \$2.1 billion, or 20.5% of net sales, \$1.3 billion, or 29.8% of net sales and \$1.7 billion, or 18.3% of net sales for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.

Q1 Fiscal 2022 vs Q1 Fiscal 2021

The increase in SG&A expenses for the first quarter of fiscal 2022 compared to the first quarter of fiscal 2021 was driven by higher store payroll and store supply costs primarily due to incremental COVID-19 expenses. Additionally, these costs and other variable store costs such as advertising spend and credit processing fees were up as compared to the first quarter of fiscal 2021 as a result of increased store operating days.

Payroll was favorably impacted by \$121 million and \$152 million of government programs for both the first quarter of fiscal 2022 and fiscal 2021, respectively, in regions where we had store closures.

Q1 Fiscal 2022 vs Q1 Fiscal 2020

The increase in the expense ratio of 2.2% in the first quarter of fiscal 2022 compared to the first quarter of fiscal 2020 was driven by higher store payroll and store supply costs primarily due to incremental COVID-19 expenses. These incremental costs were partially offset by the government programs received in fiscal 2022.

Interest Expense, net

The components of interest expense, net are summarized below:

In millions	Thirteen Weeks Ended		
	May 1, 2021	May 2, 2020	May 4, 2019
Interest expense	\$ 47.0	\$ 32.6	\$ 15.3
Capitalized interest	(1.1)	(1.0)	(0.7)
Interest (income)	(1.2)	(8.2)	(13.8)
Interest expense, net	\$ 44.7	\$ 23.4	\$ 0.8

Net interest expense increased for the first quarter of fiscal 2022 compared to the same period in fiscal 2021, primarily due to the additional borrowings initiated in fiscal 2021, which only partially impacted the first quarter of fiscal 2021.

Provision for Income Taxes

The effective income tax rate was 26.0%, 33.9% and 25.2% for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020, respectively. The decrease in the first quarter effective income tax rate of fiscal 2022 was primarily a result of the ability to carry back the anticipated loss from the first quarter of fiscal 2021 to earlier tax years with higher tax rates due to a benefit provided by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") enacted on March 27, 2020.

Net Income / (Loss) and Diluted Earnings (Loss) Per Share

Net income (loss) was \$534 million, \$(887) million and \$700 million for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.

Net income (loss) per diluted share was \$0.44, \$(0.74) and \$0.57 for the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020, respectively.

Segment Information

We operate four main business segments. Our Marmaxx segment (T.J. Maxx, Marshalls, tjmaxx.com and marshalls.com) and the HomeGoods segment (HomeGoods and Homesense) both operate in the United States. Our TJX Canada segment operates Winners, HomeSense and Marshalls in Canada, and our TJX International segment operates T.K. Maxx, Homesense and tkmaxx.com in Europe and T.K. Maxx in Australia. In addition to our four main segments, Sierra operates sierra.com and retail stores 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 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 entities. 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.

Due to the temporary closing of stores as a result of the COVID-19 pandemic, our historical definition of comp store sales is not applicable for the reported periods. In order to provide a performance indicator for our stores as they reopen, we have been temporarily reporting a new sales measure, open-only comp store sales. Open-only comp store sales includes stores initially classified as comp stores at the beginning of fiscal 2021 that have had to temporarily close due to the COVID-19 pandemic. This measure reports the sales increase or decrease of these stores for the days the stores were open in the first quarter of fiscal 2022 against sales for the same days in fiscal 2020, prior to the emergence of the pandemic.

When discussing current year segment results, in addition to comparing to fiscal 2021, we may, where meaningful, also compare these results to a comparable period in fiscal 2020, prior to the emergence of the pandemic. As the TJX International segment results for the first quarter of fiscal 2022 were significantly impacted by temporary store closures due to the COVID-19 pandemic, we do not believe a comparison to fiscal 2020 would be meaningful.

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

U.S. SEGMENTS

Marmaxx

U.S. dollars in millions	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net sales	\$ 6,640	\$ 2,698
Segment profit (loss)	\$ 825	\$ (710)
Segment margin	12.4 %	(26.3)%
Stores in operation at end of period:		
T.J. Maxx	1,282	1,273
Marshalls	1,147	1,130
Sierra	52	46
Total	2,481	2,449
Selling square footage at end of period (in thousands):		
T.J. Maxx	27,872	27,776
Marshalls	26,187	25,907
Sierra	853	766
Total	54,912	54,449

Net Sales

Net sales for Marmaxx were \$6.6 billion for the first quarter of fiscal 2022, an increase of 146% compared to \$2.7 billion for the first quarter of fiscal 2021. The increase reflects significant temporary store closings in the first quarter of fiscal 2021. Stores were closed for nearly half of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic. Net sales increased 14% compared to \$5.8 billion for the first quarter of fiscal 2020.

Open-only comp store sales were up 12% for the first quarter of fiscal 2022 compared to the first quarter of fiscal 2020. The increase in open-only comp sales was primarily driven by an increase in average basket. Home fashions outperformed apparel for the first quarter of fiscal 2022.

Segment Profit / (Loss)

Segment profit was \$825 million for the first quarter of fiscal 2022, an increase of \$1.5 billion, compared to a segment loss of \$(710) million for the first quarter of fiscal 2021. The increase for the first quarter was primarily driven by increased sales due to the temporary store closures in the first quarter of fiscal 2021. The first quarter of fiscal 2021 also reflects \$88 million of government programs.

Segment profit increased by \$29 million compared to a segment profit of \$796 million for the first quarter of fiscal 2020. Segment profit margin decreased to 12.4% for the first quarter of fiscal 2022 compared to 13.7% for the first quarter of fiscal 2020. This decrease was primarily driven by incremental COVID-19 store payroll costs and higher supply chain costs. The higher supply chain costs were driven by higher wages and expenses related to the additional distribution capacity. These decreases in segment profit margin were partially offset by expense leverage on our occupancy costs and improved merchandise margin. Merchandise margin reflects strong markon and lower markdowns, mostly offset by higher freight costs.

Our U.S. e-commerce businesses, which represented approximately 3% of Marmaxx's net sales for each of the first quarters of fiscal 2022, fiscal 2021 and fiscal 2020 did not have a significant impact on year-over-year segment margin comparisons for the first quarter of fiscal 2022. We temporarily closed our online businesses for a portion of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic.

HomeGoods

U.S. dollars in millions	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net sales	\$ 2,142	\$ 760
Segment profit (loss)	\$ 252	\$ (154)
Segment margin	11.7 %	(20.2)%
Stores in operation at end of period:		
HomeGoods	843	814
Homesense	39	34
Total	882	848
Selling square footage at end of period (in thousands):		
HomeGoods	15,425	14,915
Homesense	837	733
Total	16,262	15,648

Net Sales

Net sales for HomeGoods were \$2.1 billion for the first quarter of fiscal 2022, an increase of 182%, compared to \$760 million for the first quarter of fiscal 2021. The increase reflects significant temporary store closings in the first quarter of fiscal 2021. Stores were closed for nearly half of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic. Net sales increased 53% compared to \$1.4 billion for the first quarter of fiscal 2020.

Open-only comp store sales were up 40% for the first quarter of fiscal 2022 compared to the first quarter of fiscal 2020. The increase in open-only comp sales was driven by an increase in customer traffic and average basket.

Segment Profit / (Loss)

Segment profit was \$252 million for the first quarter of fiscal 2022, an increase of \$406 million compared to a segment loss of \$(154) million for the first quarter of fiscal 2021. The increase for the first quarter of fiscal 2022 was primarily driven by increased sales due to the temporary store closures in the first quarter of fiscal 2021. The first quarter of fiscal 2021 also reflects \$22 million of government programs.

Segment profit increased by \$115 million compared to a segment profit of \$137 million for the first quarter of fiscal 2020. Segment profit margin increased to 11.7% for the first quarter of fiscal 2022 compared to 9.8% for the first quarter of fiscal 2020. The increase in segment profit margin was primarily driven by expense leverage on our occupancy costs due to the strong open-only comp sales growth and lower travel spend. This was partially offset by store payroll costs as a result of incremental COVID-19 costs and higher wages, as well as a reduction in merchandise margin. Merchandise margin reflects increased freight costs partially offset by favorable markdowns.

We plan to make online shopping available on www.homegoods.com in the fall of fiscal 2022.

FOREIGN SEGMENTS

TJX Canada

U.S. dollars in millions	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net sales	\$ 766	\$ 380
Segment profit (loss)	\$ 72	\$ (97)
Segment margin	9.3 %	(25.6)%
Stores in operation at end of period:		
Winners	284	279
HomeSense	143	139
Marshalls	103	100
Total	530	518
Selling square footage at end of period (in thousands):		
Winners	6,113	6,003
HomeSense	2,644	2,553
Marshalls	2,159	2,102
Total	10,916	10,658

Net Sales

Net sales for TJX Canada were \$766 million for the first quarter of fiscal 2022, an increase of 102% compared to \$380 million for the first quarter of fiscal 2021. The increase reflects temporary store closings for both periods, which were approximately 25% of the first quarter of fiscal 2022 and approximately 53% of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic. In addition, many stores that have remained open or have subsequently reopened continue to be subject to capacity constraints. Net sales for TJX Canada decreased 10% compared to \$848 million for the first quarter of fiscal 2020.

Open-only comp store sales were up 9% for the first quarter of fiscal 2022 compared to the first quarter of fiscal 2020. The increase in open-only comp sales was driven by an increase in average basket, partially offset by reduced customer traffic.

Segment Profit / (Loss)

Segment profit was \$72 million for the first quarter of fiscal 2022, an increase of \$169 million compared to a segment loss of \$(97) million for the first quarter of fiscal 2021. The increase for the first quarter of fiscal 2022 was primarily driven by increased sales due to the reduction in store closures compared to the first quarter of fiscal 2021. The first quarters of fiscal 2022 and 2021 also reflect \$58 million and \$31 million, respectively, of government programs.

Segment profit decreased by \$25 million compared to a segment profit of \$97 million for the first quarter of fiscal 2020. Segment profit margin decreased to 9.3% for the first quarter of fiscal 2022 compared to 11.4% for the first quarter of fiscal 2020. The decrease in segment profit margin was primarily driven by expense deleverage on our occupancy costs due to the reduction in sales because of store closures, the unfavorable impact of the mark-to-market of the inventory derivatives as well as higher supply chain costs. This was partially offset by improved merchandise margin, which reflects strong markon partially offset by increased freight costs.

TJX International

U.S. dollars in millions	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
Net sales	\$ 539	\$ 572
Segment (loss)	\$ (222)	\$ (259)
Segment margin	(41.1)%	(45.2)%
Stores in operation at end of period:		
T.K. Maxx	604	596
Homesense	78	78
T.K. Maxx Australia	64	56
Total	746	730
Selling square footage at end of period (in thousands):		
T.K. Maxx	12,160	12,019
Homesense	1,142	1,142
T.K. Maxx Australia	1,143	1,019
	14,445	14,180

Net Sales

Net sales for TJX International were \$539 million for the first quarter of fiscal 2022, a decrease of 6% compared to \$572 million for the first quarter of fiscal 2021. The decrease reflects temporary store closings for both periods, which were approximately 69% of the first quarter of fiscal 2022 and approximately 49% of the first quarter of fiscal 2021 as a result of the COVID-19 pandemic. In addition, many stores that have remained open or have subsequently reopened continue to be subject to capacity constraints.

E-commerce sales were approximately 12% and 4% of TJX International's net sales for the first quarter of fiscal 2022 and fiscal 2021, respectively. Along with our stores, we temporarily closed all of our online business during the first quarter of fiscal 2021. Since reopening in the second quarter of fiscal 2021, our online businesses have remained open through the first quarter of fiscal 2022.

Segment (Loss)

Segment loss was \$(222) million for the first quarter of fiscal 2022, an improvement of \$37 million compared to a segment loss of \$(259) million for the first quarter of fiscal 2021. The segment loss reflects significant temporary store closures for both periods. The improvement in segment loss for the first quarter of fiscal 2022 was primarily the result of improved merchandise margin due to favorable markdowns compared with the first quarter of fiscal 2021. The improvement in merchandise margin was partially offset by incremental COVID-19 related costs, net of government programs. The first quarters of fiscal 2022 and 2021 reflect \$84 million and \$46 million, respectively, of government programs.

GENERAL CORPORATE EXPENSE

In millions	Thirteen Weeks Ended	
	May 1, 2021	May 2, 2020
General corporate expense	\$ 160	\$ 100

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 hedges is included in cost of sales, including buying and occupancy costs.

The increase in general corporate expense for the first quarter of fiscal 2022 was primarily driven by higher share-based and incentive compensation costs and contributions to TJX's charitable foundations, partially offset by the mark-to-market adjustment on the fuel hedges.

ANALYSIS OF FINANCIAL CONDITION

Liquidity and Capital Resources

Subsequent to the end of the first quarter of fiscal 2022, we announced make-whole calls for our \$1.25 billion aggregate principal outstanding 3.50% Notes and our \$750 million aggregate principal outstanding 3.75% notes, both of which series of notes were issued in the first quarter of fiscal 2021 in response to the COVID-19 pandemic. These make-whole calls are expected to settle on June 4, 2021 and we anticipate recording a pre-tax loss on the early extinguishment of these notes of approximately \$250 million in the second quarter of fiscal 2022. Additionally, in the first quarter of fiscal 2022, we redeemed \$750 million principal outstanding, 2.75% Notes due June 15, 2021. The result of these debt redemptions once completed are expected to be a \$2.75 billion reduction of outstanding debt since the beginning of fiscal 2022 and more than \$90 million of annualized interest expense savings. For additional information on these transactions, see Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements.

In response to the pandemic, primarily during the first quarter of fiscal 2021, we took several steps to strengthen our financial position and balance sheet and to maintain financial liquidity and flexibility, including, among other things, issuing \$4 billion in aggregate principal long-term debt. The challenges posed by the COVID-19 pandemic on our business continue to evolve and the severity and duration of the pandemic is still unknown. Consequently, we will continue to evaluate our financial position in light of future developments. We believe our existing cash and cash equivalents, internally generated funds and our credit facilities, described in Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements, are adequate to meet our operating needs over the next twelve months.

Our liquidity requirements have traditionally been funded through cash generated from operations, supplemented, as needed, by bank borrowings and the issuance of commercial paper. As of May 1, 2021, there were no short-term bank borrowings or commercial paper outstanding. 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 the first quarter of fiscal 2022 we have used, and in the future we may 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.

As of May 1, 2021, we held \$8.8 billion in cash. Approximately \$0.9 billion of our cash was held by our foreign subsidiaries with \$0.5 billion held in countries where we provisionally intend to indefinitely reinvest any undistributed earnings. TJX 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 May 1, 2021. 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.

Operating Activities

Operating activities resulted in net cash outflows of \$0.4 billion for the three months ended May 1, 2021 and \$3.2 billion for the three months ended May 2, 2020. Our operating cash flows for the three months ended May 1, 2021 increased by \$2.7 billion compared to the first three months of fiscal 2021. Our fiscal 2022 operating cash flows improved significantly compared to fiscal 2021, which is primarily attributable to additional stores being open in fiscal 2022 after the temporary closures of all our stores for approximately 50% of the first quarter of fiscal 2021. The fiscal 2021 loss of sales as a result of the temporarily closures resulted in a net loss of \$0.9 billion in the first three months of fiscal 2021 compared to net income of \$0.5 billion for the first three months of fiscal 2022. The decrease in income taxes recoverable, net favorably impacted operating cash flows by \$0.6 billion. The increase in operating cash flows was also attributable to the \$0.5 billion favorable impact of the change in merchandise inventories, net of accounts payable, driven by the timing of payments for merchandise sold.

Investing Activities

Investing activities resulted in net cash outflows of \$0.2 billion for both the three months ended May 1, 2021 and the three months ended May 2, 2020. The cash outflows for both periods were driven by capital expenditures.

Investing activities in the first three months of fiscal 2022 primarily reflected property additions for new stores, store improvements and renovations as well as investments in our distribution centers and offices, including buying and merchandising systems and other information systems. Cash outflows for property additions were \$0.2 billion for both the first three months of fiscal 2022 and the first three months of fiscal 2021. Our expected fiscal 2022 capital investments total \$1.2 billion to \$1.4 billion. We plan to fund these expenditures through internally generated funds.

Financing Activities

Financing activities resulted in net cash outflows of \$1.1 billion in the first three months of fiscal 2022 and net cash inflows of \$4.5 billion for the three months ended May 2, 2020.

Debt

The cash outflows in the first three months of fiscal 2022 were a result of the redemption at par of certain of our notes maturing in the second quarter of fiscal 2022. The cash inflows in the first three months of fiscal 2021 were a result of completing the issuance and sale of \$4 billion aggregate principal amount of notes. In addition, in the first quarter of fiscal 2021, we drew down \$1 billion on our previously undrawn revolving credit facilities, which we subsequently repaid in July 2020. See Note I—Long-Term Debt and Credit Lines of Notes to Consolidated Financial Statements for additional information.

Equity

The cash inflows in the first three months of fiscal 2022 were a result of proceeds from the exercise of employee stock options, net of shares withheld for taxes. The cash outflows in the first three months of fiscal 2021 were a result of the \$0.2 billion repurchase and retirement of 3.4 million shares of our stock on a settlement basis under our stock repurchase program. These outflows were partially offset by proceeds from the exercise of employee stock options, net of shares withheld for taxes in the first three months of fiscal 2021. In March 2020, in connection with the actions taken related to the COVID-19 pandemic, we suspended our share repurchase program. Subsequent to the end of the first quarter of fiscal 2022, we lifted the temporary suspension of our repurchase program and announced plans to repurchase approximately \$1.0 billion to \$1.25 billion of stock in fiscal 2022 under our previously authorized stock repurchase programs. As of May 1, 2021, approximately \$3 billion remained available under our existing stock repurchase programs.

Dividends

We declared a quarterly dividend on our common stock which totaled \$0.26 per share in the first quarter of fiscal 2022. As a result of the uncertainty surrounding the COVID-19 pandemic, no dividends were declared in the first quarter of fiscal 2021. Cash payments for dividends on our common stock totaled \$0.3 billion for both the first quarter of fiscal 2022 and the first quarter of fiscal 2021. We also declared a dividend of \$0.26 per share in the second quarter of fiscal 2022 payable in September 2021.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

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 30, 2021 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 involve 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. The following are some of the factors that could cause actual results to differ materially from the forward-looking statements: the ongoing COVID-19 pandemic and associated containment and remediation efforts; execution of buying strategy and inventory management; various marketing efforts; customer trends and preferences; competition; operational and business expansion; management of large size and scale; merchandise sourcing and transport; labor costs and workforce challenges; personnel recruitment, training and retention; data security and maintenance and development of information technology systems; corporate and retail banner reputation; cash flow; expanding international operations; fluctuations in quarterly operating results and market expectations; mergers, acquisitions, or business investments and divestitures, closings or business consolidations; real estate activities; inventory or asset loss; economic conditions and consumer spending; market instability; serious disruptions or catastrophic events; disproportionate impact of disruptions in the second half of the fiscal year; commodity availability and pricing; adverse or unseasonable weather; 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, including our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. We do not undertake 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 30, 2021.

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 May 1, 2021 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 the Company’s internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Act) during the fiscal quarter ended May 1, 2021 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 and Contingencies](#) 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 30, 2021, as filed with the Securities Exchange Commission on March 31, 2021.

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 first quarter of fiscal 2022 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)
January 31, 2021 through February 27, 2021	—	\$ —	—	\$ 2,985,692,971
February 28, 2021 through April 3, 2021	—	\$ —	—	\$ 2,985,692,971
April 4, 2021 through May 1, 2021	—	\$ —	—	\$ 2,985,692,971
Total	—	—	—	—

(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 2019 and 2020, TJX announced stock repurchase programs authorizing \$1.5 billion and \$1.5 billion, respectively, in repurchases of TJX common stock from time to time. As of May 1, 2021 approximately \$3 billion in aggregate remained available under both plans. In March 2020, as a result of the COVID-19 pandemic, TJX suspended its share repurchase program. Subsequent to the end of the first quarter of fiscal 2022, the Company reinstated its share repurchase program.

Item 6. Exhibits

Exhibit No.	Description	Incorporate by Reference		
		Form	Exhibit No.	Filing Date
10.1	The Form of Performance Share Unit Award granted under the Stock Incentive Plan as of March 29, 2021, filed herewith			
10.2	The Form of Restricted Stock Unit Award granted under the Stock Incentive Plan as of March 29, 2021, 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 May 1, 2021, formatted in Inline XBRL (Extensible Business Reporting Language): (i) the Consolidated Statements of Income (Loss), (ii) the Consolidated Statements of Comprehensive (Loss) 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 May 1, 2021, formatted in Inline XBRL (included in Exhibit 101)			

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: May 28, 2021

/s/ Scott Goldenberg

Scott Goldenberg, Chief Financial Officer
(Principal Financial and Accounting Officer)

**THE TJX COMPANIES, INC.
FORM OF PERFORMANCE SHARE UNIT AWARD
GRANTED UNDER STOCK INCENTIVE PLAN**

[]

This certificate evidences an award (the "Award") of performance share units ("PSUs") granted to the grantee named below ("Grantee") under the Stock Incentive Plan (the "Plan") of The TJX Companies, Inc. (the "Company"). The Award is subject to the terms and conditions of the Plan, the provisions of which, as from time to time amended, are incorporated by reference in this certificate. Terms defined in the Plan are used in this certificate as so defined; terms not defined in the Plan shall have the meanings specified herein.

The Award consists of the right to receive, on the terms provided herein and in the Plan, one share of Stock with respect to each performance share unit forming part of the Award, subject to adjustment pursuant to Section 3 of the Plan.

1. **Grantee:** []
2. **Target Number of PSUs Subject to the Award:** []
3. **Date of Award:** []
4. **Vesting and Settlement of Award:** Except as provided in Section 5, the Award shall become earned and shall vest, if at all, as to the target number of PSUs multiplied by the product of the percentage determined under Section 4(a) (Performance conditions) multiplied by the percentage determined under Section 4(b) (Service conditions):

[]

As soon as practicable and in all events within [] days following the applicable Settlement Date, the Company shall transfer to Grantee (or, if Grantee has died, to Grantee's Beneficiary) the shares of Stock underlying the portion of the Award that has become earned and vested hereunder.

5. **Change of Control:** Upon the occurrence of a Change of Control occurring while any portion of the Award is outstanding, the following provisions shall apply:
 - a) Upon consummation of the Change of Control, if the Committee does not provide for Rollover Awards as described in Section 5(b) below, the Award to the extent outstanding immediately prior to consummation of the Change of Control shall be deemed earned and vested as though each of the Section 4(a) percentage and the Section 4(b) percentage was, as of immediately prior to consummation of the Change of Control, one hundred percent (100%).
 - b) The Committee in its discretion may, but shall not be required to, provide in connection with the Change of Control that, in lieu of the acceleration described in Section 5(a) above, the Award (including for purposes of this Section 5(b) any replacement award or any arrangement involving stock, cash or other property into which the Award may be converted or for which it may be exchanged in connection with the Change of Control) (the Award or any such replacement award or other arrangement, the "Rollover Award") shall be continued on such terms and conditions as the Committee considers appropriate in the circumstances to reflect the transaction, subject to the following provisions of this Section 5(b). With respect to any Rollover Award, in lieu of the treatment provided in Section 5(a) above, (i) the Section 4(a) percentage shall at all times from and after the Change of Control be deemed to be one hundred percent (100%), and (ii) Section 4(b) shall be applied without modification except that in the event of and upon a qualifying termination of Grantee's employment occurring upon or within twenty-four months following the Change of Control, the Section 4(b) percentage shall not be less than one hundred percent (100%).

For purposes of this Section 5(b), "qualifying termination" shall mean either of the following: (i) an involuntary termination (other than for Cause) by the Company or a Subsidiary of Grantee's employment with the Company and its Subsidiaries (including any successors thereto or affiliates of such successor) or (ii) a termination of Grantee's employment by reason of death or Disability. If immediately prior to the Change of Control, Grantee is party to an employment, severance or similar agreement with the Company or a Subsidiary, or is eligible to participate in a Company plan, in each case that has been approved by the Committee and that provides for severance or similar benefits upon a voluntary termination for "good reason" in connection with a change of control of the Company, a "qualifying termination" for purposes of this Section 5(b) shall also include a voluntary termination by Grantee for "good reason" (as defined in the applicable agreement or plan).

As soon as practicable and in all events within [] days following the applicable Settlement Date the Company shall transfer to Grantee (or, if Grantee has died, to Grantee's Beneficiary) the shares of Stock underlying the earned and vested portion of the Award; it being understood that if the Settlement Date is the Change of Control, the Company shall transfer such shares of Stock immediately prior to the consummation of such Change of Control. All references to the Committee in this Section 5 shall be construed to refer to the Committee as constituted and acting prior to consummation of the Change of Control. For the avoidance of doubt, no Committee action permitted by this Section 5 will be treated as an action requiring Grantee's consent under Section 10 of the Plan.

6. **Termination of Employment:** Subject to the provisions of Section 5, in the event of the termination of the employment of Grantee with the Company and its Subsidiaries for any reason prior to the earlier of the Determination Date and the consummation of a Change of Control:

- a) one hundred percent (100%) of the Award, less the percentage of the Award described in Section 4(b), shall be immediately and automatically forfeited upon termination of employment; and
- b) if greater than zero percent (0%), the percentage of the Award described in Section 4(b) shall (except in the event of termination due to death or Disability) remain eligible to be earned (and shall be earned, if at all) on the first to occur of (i) the consummation of the Change of Control, by applying one hundred percent (100%) as the relevant Section 4(a) percentage or (ii) the Determination Date, by applying as the relevant Section 4(a) percentage the percentage (if greater than zero) then certified or otherwise determined by the Committee, provided that any such portion of the Award that is not earned on the Determination Date and that has not previously been forfeited shall be immediately and automatically forfeited on the Determination Date. In the event of the termination of the employment of Grantee with the Company and its Subsidiaries by reason of death or Disability occurring prior to the earlier of the Determination Date and the consummation of a Change of Control, the percentage of the Award described in Section 4(b) shall be earned as of immediately prior to such termination by applying one hundred percent (100%) as the relevant Section 4(a) percentage, provided, that if such termination by reason of death or Disability occurs after the last day of the Performance Period, the Award shall remain eligible to be earned as of the Determination Date by applying as the relevant Section 4(a) percentage the greater of (I) one hundred percent (100%) and (II) the percentage certified or otherwise determined by the Committee on the Determination Date.

With respect to any Rollover Award under Section 5(b), in the event of the termination of the employment of Grantee with the Company and its Subsidiaries prior to [], the portion of the Rollover Award that is not then earned and vested (determined after giving effect to any vesting provided in Section 4(b) or 5(b)) shall be immediately and automatically forfeited. Notwithstanding the foregoing, upon a termination of Grantee's employment for Cause (as defined in the Plan) all portions of the Award then outstanding, whether vested or unvested and whether or not earned, shall immediately and automatically be forfeited and cancelled in their entirety. For the avoidance of doubt, in determining Grantee's entitlements, if any, under this Award, all determinations related to a

termination of Grantee's employment (including, but not limited to, the reason therefor) shall be made in accordance with Plan terms (including, but not limited to, Section 9 of the Plan or any successor provision).

7. Additional Forfeiture Conditions:

[]

8. Certain Definitions: For purposes of this Award, the following definitions shall apply:

- a) "Beneficiary": the beneficiary or beneficiaries designated by Grantee in writing, any such designation to be in such form, and delivered prior to Grantee's death to such person at the Company, as may be specified by the Company, or, in the absence of any surviving beneficiary so designated, the legal representative of Grantee's estate.
- b) "Determination Date": as defined in Section 4(a) above.
- c) "Performance Period": the three-fiscal-year period beginning on [] and ending on [].
- d) "Rollover Award": as defined in Section 5(b) above.
- e) "Section 409A": Section 409A of the Code.
- f) "Settlement Date": the date on or following and by reference to which any vested performance share units subject to an Award are to be settled, if at all, in whole or in part, through the delivery of shares of Stock. []

For the avoidance of doubt, in determining Grantee's entitlements, if any, under this Award, all determinations related to Grantee's termination of employment (including, but not limited to, the reason therefor) shall be made in accordance with Plan terms (including, but not limited to, Section 9 of the Plan or any successor provision).

- 9. **Rights as Shareholder:** Grantee shall have no voting or other shareholder rights in respect of any share of Stock subject to the Award except as provided in the following sentence. Grantee shall have the rights of a shareholder, including without limitation dividend rights, only as to those shares of Stock, if any, that are actually delivered under the Award.
- 10. **Unsecured Obligation; No Transfers:** The Award is unfunded and unsecured, and Grantee's rights to any shares of Stock or other property (including cash) hereunder shall be no greater than those of an unsecured general creditor of the Company. The Award may not be assigned, transferred, pledged, hypothecated or otherwise disposed of, except for disposition at death as provided above, and will automatically lapse and be forfeited upon any attempt at any such assignment, transfer, pledge, hypothecation or other disposition.
- 11. **Section 409A:** The Award and the Dividend Equivalent Payment, if any, described in Section 13 below are intended to constitute arrangements that qualify for exemption from the requirements of Section 409A and shall be construed accordingly. Notwithstanding the foregoing, neither the Company, nor any other person acting on behalf of the Company, will be liable to Grantee or any other person by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted with respect to the Award or the Dividend Equivalent Payment by reason of the failure of the Award or the Dividend Equivalent Payment to satisfy the applicable requirements of Section 409A in form or in operation.
- 12. **Withholding:** As a condition to the grant, vesting and settlement of this Award, Grantee shall, no later than the date as of which any shares of Stock or other amounts provided hereunder first become includable in the gross income of Grantee for U.S. Federal or other income tax purposes or as wages

subject to employment taxes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any national, federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company in its discretion may, but need not, satisfy any withholding obligation by withholding a portion of the shares of Stock to be delivered to Grantee hereunder up to the maximum extent permitted under the Plan. Grantee understands that any individual tax, social contribution, or other liability that may arise in relation to this Award is solely Grantee's (and not the Company's or Subsidiary's) responsibility and that such liability may exceed any amounts withheld. Grantee further understands that Grantee is solely responsible for filing any relevant documentation (including, without limitation, tax returns or reporting statements) that may be required in relation to this Award (including, without limitation, any such documentation related to the holding of shares of Stock or any bank or brokerage account, the subsequent sale of shares of Stock, or the receipt of any dividends). Grantee further acknowledges that the Company does not commit to and is under no obligation to structure the terms or any aspect of the Award to reduce or eliminate Grantee's liability for taxes or other amounts due or to achieve any particular tax result. Grantee also understands that varying share of Stock or Award valuation methods may apply for purposes of tax calculations and reporting, and the Company assumes no liability in relation thereto.

13. **Dividend Equivalent Payment:** Upon the delivery of any shares of Stock in respect of any vested performance share units subject hereto, Grantee shall be entitled to a cash payment by the Company in an amount equal to the amount that Grantee would have received, if any, as a regular cash dividend had Grantee held such shares of Stock from the Date of Award to the date such shares of Stock are delivered hereunder, less all applicable taxes and withholding obligations. Any such payment shall be paid, if at all, without interest on the date such shares of Stock are delivered hereunder.
14. **No Employment Rights or Other Entitlements:** Grantee agrees that any awards under the Plan, including this Award and these terms and conditions, do not confer upon Grantee any right to continued employment with the Company or a Subsidiary, nor do they interfere in any way with the right of the Company or a Subsidiary to terminate the employment of Grantee at any time. Nothing contained in these terms and conditions shall be deemed to constitute or create a contract of employment, nor shall these terms and conditions constitute or create the right to remain associated with or in the employ of the Company or a Subsidiary for any particular period of time. Furthermore, this grant is made solely at the discretion of the Company, and these terms and conditions, the Plan, and any other Plan documents (i) are not part of Grantee's employment contract, if any, and (ii) do not guarantee either Grantee's right to receive any future grants under the Plan or the inclusion of the value of any grants in the calculation of severance payments, if any, upon termination of employment.
15. **Compliance with Law:** Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Stock pursuant to this Award, at any time, if the offering of the Stock covered by this Award, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country. Furthermore, Grantee understands that, to the extent applicable, the laws of the country in which he/she is working at the time of grant, vesting, and/or settlement of this Award (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent settlement of this Award or may subject Grantee to additional procedural or regulatory requirements he/she is solely responsible for and will have to independently fulfill in relation to this Award, and that sales of Stock may be subject to restrictions under United States federal securities laws, and the laws, rules or regulations of any other relevant federal, state or local jurisdiction, and under Company policies including insider trading policies and procedures. Summaries of potentially applicable legal restrictions and requirements furnished in connection with the Plan, including in the Addendum and in the Prospectus for the Plan, are not intended to be exhaustive, and Grantee acknowledges that other rules may apply. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, and any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan.

16. **Governing Law and Forum:** Grantee acknowledges that the Plan is administered in the United States and the terms and conditions of this certificate shall be governed by and interpreted, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to its or any other jurisdiction's conflicts of laws provisions. For purposes of resolving any dispute that may arise directly or indirectly from this certificate, the parties hereby submit and consent to the exclusive jurisdiction of the Commonwealth of Massachusetts in the United States and agree that any litigation shall be conducted only in the United States District Court for the District of Massachusetts or a court of the Commonwealth of Massachusetts.
17. **Other:** The provisions of this Award are severable, and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. To the extent applicable, the international and country-specific terms and conditions in the attached Addendum shall apply to this Award. By signing this Award in the space indicated below, Grantee hereby acknowledges and agrees as follows: (i) that Grantee has received the Plan text and will become a party to and be subject to the terms of the Plan; (ii) that Grantee's abovementioned participation is voluntary and that Grantee has not been induced to participate by expectation of employment or continued employment; and (iii) that Grantee has reviewed the terms and conditions set forth in this certificate, including the attached Addendum, and that this Award shall be deemed to satisfy fully any entitlement to receive a grant or grants of any stock options, stock awards or other equity-based awards that Grantee may have under an employment or similar agreement, including but not limited to an offer letter or other contract for employment, a restrictive covenant or similar agreement, or any other agreement with, or a policy or practice of, the Company or its Subsidiaries.

THE TJX COMPANIES, INC.

BY:

Agreed: _____

Date:

**THE TJX COMPANIES, INC.
FORM OF RESTRICTED STOCK UNIT AWARD
GRANTED UNDER STOCK INCENTIVE PLAN**

[]

This certificate evidences an award (the "Award") of restricted stock units granted to the grantee named below ("Grantee") under the Stock Incentive Plan (the "Plan") of The TJX Companies, Inc. (the "Company"). The Award is subject to the terms and conditions of the Plan, the provisions of which, as from time to time amended, are incorporated by reference in this certificate. Terms defined in the Plan are used in this certificate as so defined; terms not defined in the Plan shall have the meanings specified herein.

The Award consists of the right to receive, on the terms provided herein and in the Plan, one share of Stock with respect to each restricted stock unit forming part of the Award, subject to adjustment pursuant to Section 3 of the Plan.

1. **Grantee:** []
2. **Number of Restricted Stock Units Subject to the Award:** []
3. **Date of Award:** []
4. **Vesting and Settlement of Award:** Except as provided in Section 5, the Award shall vest as follows:

[]

As soon as practicable and in all events within [] days following the applicable Settlement Date, the Company shall transfer to Grantee (or, if Grantee has died, to Grantee's Beneficiary) the shares of Stock underlying the vested portion of the Award.

5. **Change of Control:** Upon the occurrence of a Change of Control occurring while any portion of the Award is outstanding, the provisions of this Section 5 shall apply to the Award in lieu of the provisions of Section 4:
 - a) Upon consummation of the Change of Control, if the Committee does not provide for Rollover Awards as described in Section 5(b) below, any portion of the Award that was outstanding immediately prior to consummation of the Change of Control shall be deemed vested in its entirety.
 - b) The Committee in its discretion may, but shall not be required to, provide in connection with the Change of Control that, in lieu of the acceleration described in Section 5(a) above, the Award (including for purposes of this Section 5(b) any replacement award or any arrangement involving stock, cash or other property into which the Award may be converted or for which it may be exchanged in connection with the Change of Control) (the Award or any such replacement award or other arrangement, the "Rollover Award") shall be continued on such terms and conditions as the Committee considers appropriate in the circumstances to reflect the transaction and consistent with Section 409A, subject to the following provisions of this Section 5(b). With respect to any Rollover Award, Section 4 shall be applied without modification, except that in the event of and upon a qualifying termination of Grantee's employment occurring upon or within twenty-four months following the Change of Control, the Rollover Award shall provide for accelerated vesting of any unvested portion of the Rollover Award.

For purposes of this Section 5(b), "qualifying termination" shall mean either of the following: (i) an involuntary termination (other than for Cause) by the Company or a Subsidiary of Grantee's employment with the Company and its Subsidiaries (including any successors

thereto or affiliates of such successor) or (ii) a termination of Grantee's employment by reason of death or Disability. If immediately prior to the Change of Control Grantee is party to an employment, severance or similar agreement with the Company or a Subsidiary, or is eligible to participate in a Company plan, in each case that has been approved by the Committee and that provides for severance or similar benefits upon a voluntary termination for "good reason" in connection with a change of control of the Company, a "qualifying termination" for purposes of this Section 5(b) shall also include a voluntary termination by Grantee for "good reason" (as defined in the applicable agreement or plan).

As soon as practicable and in all events within [] days following the applicable Settlement Date the Company shall transfer to Grantee (or, if Grantee has died, to Grantee's Beneficiary) the shares of Stock underlying the vested portion of the Award; it being understood that if the Settlement Date is the Change of Control, the Company shall transfer such shares of Stock immediately prior to the consummation of such Change of Control. All references to the Committee in this Section 5 shall be construed to refer to the Committee as constituted and acting prior to consummation of the Change of Control. For the avoidance of doubt, no Committee action permitted by this Section 5 will be treated as an action requiring Grantee's consent under Section 10 of the Plan.

6. **Termination of Employment:** In the event of the termination of the employment of Grantee with the Company and its Subsidiaries for any reason prior to [], the Award, to the extent not then vested (taking into account any vesting by reason of the application of Section 4(b) or Section 5) and to the extent not previously forfeited, shall immediately and automatically be forfeited. Notwithstanding the foregoing, upon a termination of Grantee's employment for Cause (as defined in the Plan) all portions of the Award then outstanding, whether vested or unvested, shall immediately and automatically be forfeited and cancelled in their entirety. For the avoidance of doubt, in determining Grantee's entitlements, if any, under this Award, all determinations related to a termination of Grantee's employment (including, but not limited to, the reason therefor) shall be made in accordance with Plan terms (including, but not limited to, Section 9 of the Plan or any successor provision).

7. **Additional Forfeiture Conditions:**

[]

8. **Certain Definitions:** For purposes of this Award, the following definitions shall apply:

- a) "409A Award Portion": any portion of the Award that at the relevant time is subject to (and not exempt from) the applicable requirements of Section 409A.
- b) "Beneficiary": the beneficiary or beneficiaries designated by Grantee in writing, any such designation to be in such form, and delivered prior to Grantee's death to such person at the Company, as may be specified by the Company, or, in the absence of any surviving beneficiary so designated, the legal representative of Grantee's estate.
- c) "Non-409A Award Portion": any portion of the Award that at the relevant time is exempt from the requirements of Section 409A.
- d) "Required Delay: a delay in the Settlement Date of six months and one day (or until death if earlier) in any case where settlement of the 409A Award Portion is due to separation from service (as defined below), if Grantee at the relevant time is a "specified employee" as determined in accordance with Section 409A and Company policy.
- e) "Rollover Award": as defined in Section 5(b) above.
- f) "Section 409A": Section 409A of the Code.

- g) "Settlement Date": the date on or following and by reference to which any vested restricted stock units subject to an Award are to be settled, if at all, in whole or in part, through the delivery of shares of Stock. []

For the avoidance of doubt, in determining Grantee's entitlements, if any, under this Award, all determinations related to Grantee's termination of employment (including, but not limited to, the reason therefor) shall be made in accordance with Plan terms (including, but not limited to, Section 9 of the Plan or any successor provision).

9. **Rights as Shareholder:** Grantee shall have no voting or other shareholder rights in respect of any share of Stock subject to the Award except as provided in the following sentence. Grantee shall have the rights of a shareholder, including without limitation dividend rights, only as to those shares of Stock, if any, that are actually delivered under the Award.
10. **Unsecured Obligation; No Transfers:** The Award is unfunded and unsecured, and Grantee's rights to any shares of Stock or other property (including cash) hereunder shall be no greater than those of an unsecured general creditor of the Company. The Award may not be assigned, transferred, pledged, hypothecated or otherwise disposed of, except for disposition at death as provided above, and will automatically lapse and be forfeited upon any attempt at any such assignment, transfer, pledge, hypothecation or other disposition.
11. **Section 409A:** The Award and the Dividend Equivalent Payment, if any, described in Section 13 below are intended to constitute arrangements that qualify for exemption from, or otherwise comply with, the requirements of Section 409A and shall be construed accordingly. For this purpose any termination of employment, retirement or correlative term applicable to a 409A Award Portion shall require a separation from service as defined in Section 409A. Notwithstanding the foregoing, neither the Company, nor any other person acting on behalf of the Company, will be liable to Grantee or any other person by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted with respect to the Award or the Dividend Equivalent Payment by reason of the failure of the Award or the Dividend Equivalent Payment to satisfy the applicable requirements of Section 409A in form or in operation.
12. **Withholding:** As a condition to the grant, vesting and settlement of this Award, Grantee shall, no later than the date as of which any shares of Stock or other amounts provided hereunder first become includable in the gross income of Grantee for U.S. Federal or other income tax purposes or as wages subject to employment taxes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any national, federal, state, or local taxes of any kind required by law to be withheld with respect to such income. The Company in its discretion may, but need not, satisfy any withholding obligation by withholding a portion of the shares of Stock to be delivered to Grantee hereunder up to the maximum extent permitted under the Plan. Grantee understands that any individual tax, social contribution, or other liability that may arise in relation to this Award is solely Grantee's (and not the Company's or Subsidiary's) responsibility and that such liability may exceed any amounts withheld. Grantee further understands that Grantee is solely responsible for filing any relevant documentation (including, without limitation, tax returns or reporting statements) that may be required in relation to this Award (including, without limitation, any such documentation related to the holding of shares of Stock or any bank or brokerage account, the subsequent sale of shares of Stock, or the receipt of any dividends). Grantee further acknowledges that the Company does not commit to and is under no obligation to structure the terms or any aspect of the Award to reduce or eliminate Grantee's liability for taxes or other amounts due or to achieve any particular tax result. Grantee also understands that varying share of Stock or Award valuation methods may apply for purposes of tax calculations and reporting, and the Company assumes no liability in relation thereto.
13. **Dividend Equivalent Payment:** Upon the delivery of any shares of Stock in respect of any vested restricted stock units subject hereto, Grantee shall be entitled to a cash payment by the Company in an amount equal to the amount that Grantee would have received, if any, as a regular cash dividend had Grantee held such shares of Stock from the Date of Award to the date such shares of Stock are

delivered hereunder, less all applicable taxes and withholding obligations. Any such payment shall be paid, if at all, without interest on the date such shares of Stock are delivered hereunder.

14. **No Employment Rights or Other Entitlements:** Grantee agrees that any awards under the Plan, including this Award and these terms and conditions, do not confer upon Grantee any right to continued employment with the Company or a Subsidiary, nor do they interfere in any way with the right of the Company or a Subsidiary to terminate the employment of Grantee at any time. Nothing contained in these terms and conditions shall be deemed to constitute or create a contract of employment, nor shall these terms and conditions constitute or create the right to remain associated with or in the employ of the Company or a Subsidiary for any particular period of time. Furthermore, this grant is made solely at the discretion of the Company, and these terms and conditions, the Plan, and any other Plan documents (i) are not part of Grantee's employment contract, if any, and (ii) do not guarantee either Grantee's right to receive any future grants under the Plan or the inclusion of the value of any grants in the calculation of severance payments, if any, upon termination of employment.
15. **Compliance with Law:** Notwithstanding anything to the contrary herein, the Company shall not be obligated to issue any Stock pursuant to this Award, at any time, if the offering of the Stock covered by this Award, violates or is not in compliance with any laws, rules or regulations of the United States or any state or country. Furthermore, Grantee understands that, to the extent applicable, the laws of the country in which he/she is working at the time of grant, vesting, and/or settlement of this Award (including any rules or regulations governing securities, foreign exchange, tax, labor or other matters) may restrict or prevent settlement of this Award or may subject Grantee to additional procedural or regulatory requirements he/she is solely responsible for and will have to independently fulfill in relation to this Award, and that sales of Stock may be subject to restrictions under United States federal securities laws, and the laws, rules or regulations of any other relevant federal, state or local jurisdiction, and under Company policies including insider trading policies and procedures. Summaries of potentially applicable legal restrictions and requirements furnished in connection with the Plan, including in the Addendum and in the Prospectus for the Plan, are not intended to be exhaustive, and Grantee acknowledges that other rules may apply. The Company reserves the right to impose other requirements on Grantee's participation in the Plan, and any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan.
16. **Governing Law and Forum:** Grantee acknowledges that the Plan is administered in the United States and the terms and conditions of this certificate shall be governed by and interpreted, construed, and enforced in accordance with the laws of the Commonwealth of Massachusetts without regard to its or any other jurisdiction's conflicts of laws provisions. For purposes of resolving any dispute that may arise directly or indirectly from this certificate, the parties hereby submit and consent to the exclusive jurisdiction of the Commonwealth of Massachusetts in the United States and agree that any litigation shall be conducted only in the United States District Court for the District of Massachusetts or a court of the Commonwealth of Massachusetts.
17. **Other:** The provisions of this Award are severable, and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. To the extent applicable, the international and country-specific terms and conditions in the attached Addendum shall apply to this Award. By signing this Award in the space indicated below, Grantee hereby acknowledges and agrees as follows: (i) that Grantee has received the Plan text and will become a party to and be subject to the terms of the Plan; (ii) that Grantee's abovementioned participation is voluntary and that Grantee has not been induced to participate by expectation of employment or continued employment; and (iii) that Grantee has reviewed the terms and conditions set forth in this certificate, including the attached Addendum, and that this Award shall be deemed to satisfy fully any entitlement to receive a grant or grants of any stock options, stock awards or other equity-based awards that Grantee may have under an employment or similar agreement, including but not limited to an offer letter or other contract for employment, a restrictive covenant or similar agreement, or any other agreement with, or a policy or practice of, the Company or its Subsidiaries.

THE TJX COMPANIES, INC.

BY: _____

Agreed: _____

Date:

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: May 28, 2021

/s/ Ernie Herrman

Name: Ernie Herrman

Title: Chief Executive Officer and President

Section 302 Certification

CERTIFICATION

I, Scott Goldenberg, 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: May 28, 2021

/s/ Scott Goldenberg

Name: Scott Goldenberg

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 May 1, 2021 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 May 1, 2021 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: May 28, 2021

**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 May 1, 2021 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 May 1, 2021 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott Goldenberg

Name: Scott Goldenberg
Title: Chief Financial Officer

Dated: May 28, 2021