FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

[X] Quarterly Report Under Section 13 and 15(d)
of the Securities Exchange Act of 1934

or

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

For Quarter Ended October 31, 1998
Commission file number 1-4908

The TJX Companies, Inc.
(Exact name of registrant as specified in its charter)

DELAWARE	04-2207613
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
770 Cochituate Road Framingham, Massachusetts	01701
(Address of principal executive offices)	(Zip Code)

(508)390-1000
(Registrant's telephone number, including area code)

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 X . No .

The number of shares of Registrant's Common Stock outstanding as of November 28, 1998: 323,170,700

PART I FINANCIAL INFORMATION
THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME
(UNAUDITED)
DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirteen Weeks Ended	
	October 31, 1998	October 25, 1997
Net sales	$ 2,026,578	$ 1,887,698
Cost of sales, including buying and occupancy costs	1,480,501	1,414,336
Selling, general and administrative expenses	322,531	287,205
Interest expense, net	1,507	3,654
Income from continuing operations before income taxes and extraordinary item	222,039	182,503
Provision for income taxes	88,372	75,561
Income from continuing operations before extraordinary item	133,667	106,942
(Loss) from discontinued operations, net of income taxes	(9,048)	-
Income before extraordinary item	124,619	106,942
Extraordinary (charge), net of income taxes	-	(1,777)
Net income	124,619	105,165
Preferred stock dividends	978	3,443
Net income available to common shareholders	$ 123,641	$ 101,722
Earnings per share		
Income from continuing operations:		
Basic	$ .42	$ .32
Diluted	$ .40	$ .31
Net income:		
Basic	$ .39	$ .31
Diluted	$ .38	$ .30
Cash dividends per common share	$ .03	$ .025

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

PART I FINANCIAL INFORMATION
THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME
(UNAUDITED)
DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS

	Thirty-Nine Weeks Ended	
	October 31, 1998	October 25, 1997
Net sales	$ 5,666,661	$ 5,146,220
Cost of sales, including buying and occupancy costs	4,229,252	3,940,216
Selling, general and administrative expenses	925,698	844,731
Interest expense, net	2,890	6,054
Income from continuing operations before income taxes and extraordinary item	508,821	355,219
Provision for income taxes	202,511	147,238
Income from continuing operations before extraordinary item	306,310	207,981
(Loss) from discontinued operations, net of income taxes	(9,048)	-
Income before extraordinary item	297,262	207,981
Extraordinary (charge), net of income taxes	-	(1,777)
Net income	297,262	206,204
Preferred stock dividends	3,466	10,669
Net income available to common shareholders	$ 293,796	$ 195,535
Earnings per share		
Income from continuing operations:		
Basic	$ .96	$ .61
Diluted	$ .91	$ .59
Net income:		
Basic	$ .93	$ .61
Diluted	$ .88	$ .59
Cash dividends per common share	$ .09	$ .075

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

THE TJX COMPANIES, INC. AND CONSOLIDATED SUBSIDIARIES
BALANCE SHEETS
(UNAUDITED)
IN THOUSANDS

	October 31, 1998	January 31, 1998	October 25, 1997
ASSETS			
Current assets:			
Cash and cash equivalents	$ 155,691	$ 404,369	$ 143,602
Accounts receivable	104,392	60,735	110,117
Merchandise inventories	1,501,362	1,190,170	1,459,607
Prepaid expenses	58,337	27,357	29,409
Total current assets	1,819,782	1,682,631	1,742,735
Property, at cost:			
Land and buildings	115,726	108,729	104,098
Leasehold costs and improvements	541,426	480,964	484,057
Furniture, fixtures and equipment	677,274	611,470	599,494
	1,334,426	1,201,163	1,187,649
Less accumulated depreciation and amortization	594,497	515,027	494,847
	739,929	686,136	692,802
Other assets	20,592	36,645	34,203
Deferred income taxes	7,072	-	-
Goodwill and tradename, net of amortization	199,742	204,220	211,568
TOTAL ASSETS	$2,787,117	$2,609,632	$2,681,308
LIABILITIES			
Current liabilities:			
Current installments of long-term debt	$ 22,618	$ 23,360	$ 2,199
Accounts payable	709,302	582,791	646,906
Accrued expenses and other current liabilities	622,731	553,643	588,830
Federal and state income taxes payable	83,134	57,863	57,107
Total current liabilities	1,437,785	1,217,657	1,295,042
Long-term debt exclusive of current installments:			
Real estate mortgages	-	-	21,827
Equipment notes	670	1,127	1,456
General corporate debt	219,908	219,897	219,894
Deferred income taxes	-	6,859	14,035
SHAREHOLDERS' EQUITY			
Preferred stock at face value, authorized 5,000,000 shares, par value $1, issued and outstanding 411,790; 727,300 and 727,700 shares of Series E cumulative convertible stock	41,179	72,730	72,770
Common stock, authorized 600,000,000 shares, par value $1, issued and outstanding 314,181,999; 159,901,247 and 161,751,535 shares	314,182	159,901	161,752
Additional paid-in capital	-	202,053	254,588
Retained earnings	773,393	729,408	639,944
Total shareholders' equity	1,128,754	1,164,092	1,129,054

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$2,787,117	$2,609,632	$2,681,308
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The accompanying notes are an integral part of the financial statements.

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

	Thirty-Nine Weeks Ended	
	October 31, 1998	October 25, 1997
Cash flows from operating activities:		
Net income	$ 297,262	$ 206,204
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from discontinued operations	9,048	-
Extraordinary charge	-	1,777
Depreciation and amortization	100,329	92,463
Loss (gain) on sale of other assets	659	(5,992)
Property disposals	840	7,181
Other	200	671
Changes in assets and liabilities:		
(Increase) in accounts receivable	(43,657)	(52,842)
(Increase) in merchandise inventories	(311,192)	(400,102)
(Increase) in prepaid expenses	(30,980)	(13,030)
Increase in accounts payable	126,511	112,961
Increase in accrued expenses and other current liabilities	54,057	44,974
Increase in income taxes payable	25,271	14,126
Increase (decrease) in deferred income taxes	(4,410)	4,095
Net cash provided by operating activities	223,938	12,486
Cash flows from investing activities:		
Property additions	(152,312)	(145,065)
Proceeds from sale of other assets	8,338	15,697
Proceeds adjustment for sale of Chadwick's	-	(33,190)
Net cash (used in) investing activities	(143,974)	(162,558)
Cash flows from financing activities:		
Principal payments on long-term debt	(1,199)	(26,184)
Common stock repurchased	(304,376)	(182,413)
Proceeds from sale and issuance of common stock, net	8,869	7,441
Cash dividends	(31,936)	(34,353)
Net cash (used in) financing activities	(328,642)	(235,509)
Net cash (used in) continuing operations	(248,678)	(385,581)
Net cash provided by discontinued operations	-	54,451
Net (decrease) in cash and cash equivalents	(248,678)	(331,130)
Cash and cash equivalents at beginning of year	404,369	474,732
Cash and cash equivalents at end of period	$ 155,691	$ 143,602

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The results for the nine months are not necessarily indicative of results for the full fiscal year, because the Company'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.

2. The preceding data are unaudited and reflect all normal recurring adjustments, the use of retail statistics, and accruals and deferrals among periods required to match costs properly with the related revenue or activity, considered necessary by the Company for a fair presentation of its financial statements for the periods reported, all in accordance with generally accepted accounting principles and practices consistently applied. Certain amounts in prior period financial statements have been reclassified for comparative purposes.

3. The Company's cash payments for interest expense and income taxes are as follows: (in thousands)

	39 Weeks Ended	
	October 31, 1998	October 25, 1997
Cash paid for:		
Interest	$ 13,506	$ 16,791
Income taxes	$185,578	$129,171

4. In October 1988, the Company completed the sale of its former Zayre stores division to Ames Department Stores, Inc. ("Ames"). In April 1990, Ames filed for protection under Chapter 11 of the Federal Bankruptcy Code and in December 1992, Ames emerged from bankruptcy under a plan of reorganization.

   The Company remains contingently liable for the leases of most of the former Zayre stores still operated by Ames. The Company believes that the Company's contingent liability on these leases will not have a material effect on the Company's financial condition.

   The Company is also contingently liable on certain leases of its former warehouse club operations (BJ's Wholesale Club and HomeBase), which was spun off by the Company in fiscal 1990 as Waban Inc. During fiscal 1998, Waban Inc. was renamed HomeBase, Inc. and spun-off its BJ's Wholesale Club division (BJ's Wholesale Club, Inc.). HomeBase, Inc. and BJ's Wholesale Club, Inc. are primarily liable on their respective leases and have indemnified the Company for any amounts the Company may have to pay with respect to such leases. In addition, HomeBase, Inc., BJ's Wholesale Club, Inc. and the Company have entered into agreements under which BJ's Wholesale Club, Inc. has substantial indemnification responsibility with respect to such HomeBase, Inc. leases. The Company is also contingently liable on certain leases of BJ's Wholesale Club, Inc. for which both BJ's Wholesale Club, Inc. and HomeBase, Inc. remain liable. The Company believes that its contingent liability on the HomeBase, Inc. and BJ's Wholesale Club, Inc. leases will not have a material effect on the Company's financial condition.

The Company is also contingently liable on approximately 50 store leases and the office and warehouse leases of its former Hit or Miss division which was sold by the Company in September 1995. During the third quarter ended October 31, 1998, the Company increased its reserve for its discontinued operations by $15 million ($9 million after tax) primarily for potential lease liabilities relating to guarantees on leases of its former Hit or Miss division. The after tax cost of $9 million, or $.02 per diluted share, was recorded as a loss from discontinued operations, in the third quarter ended October 31, 1998.

5. In October 1998, the Company completed its $250 million stock buyback program, initiated in February 1998, and announced its intentions to repurchase an additional $750 million of the Company's common stock. During the nine months ended October 31, 1998, the Company repurchased a combined total of 14,008,000 shares (adjusted for the June 1998 stock split) at a cost of $304.4 million.

6. On April 8, 1998, the Company approved a two-for-one stock split to be effected in the form of a 100% stock dividend which was subject to approval by the shareholders of an increase in the number of authorized shares of the Company's common stock. On June 2, 1998, the Company's shareholders approved the increase making the two-for-one stock split effective. The split was distributed on June 25, 1998 to shareholders of record on June 11, 1998 and resulted in the issuance of 158.9 million shares of common stock. All historical earnings per share amounts have been restated to reflect the two-for-one stock split as well as the two-for-one stock split distributed in June 1997.

7. The computation of basic and diluted earnings per share is as follows:

For The Thirteen Weeks Ended	October 31, 1998	October 25, 1997
	($'s in thousands except per share amounts)	
Income from continuing operations (Numerator in diluted calculation)	$ 133,667	$ 106,942
Less preferred dividends	978	3,443
Income from continuing operations available to common shareholders (Numerator in basic calculation)	$ 132,689	$ 103,499
Net income (Numerator in diluted calculation)	$ 124,619	$ 105,165
Less preferred dividends	978	3,443
Net income available to common shareholders (Numerator in basic calculation)	$ 123,641	$ 101,722
Shares for basic and diluted earnings per share calculations:		
Average common shares outstanding for basic EPS	313,930,546	326,340,208
Dilutive effect of stock options and awards	5,098,933	4,402,644
Dilutive effect of convertible preferred stock	12,737,200	16,822,676
Average common shares outstanding for diluted EPS	331,766,679	347,565,528
Income from continuing operations:		
Basic earnings per share	$ 0.42	$ 0.32
Diluted earnings per share	$ 0.40	$ 0.31
Net Income:		
Basic earnings per share	$ 0.39	$ 0.31
Diluted earnings per share	$ 0.38	$ 0.30

For The Thirty-Nine Weeks Ended	October 31, 1998	October 25, 1997
	($'s in thousands except per share amounts)	
Income from continuing operations (Numerator in diluted calculation)	$ 306,310	$ 207,981
Less preferred dividends	3,466	10,669
Income from continuing operations available to common shareholders (Numerator in basic calculation)	$ 302,844	$ 197,312
Net income (Numerator in diluted calculation)	$ 297,262	$ 206,204
Less preferred dividends	3,466	10,669
Net income available to common shareholders (Numerator in basic calculation)	$ 293,796	$ 195,535
Shares for basic and diluted earnings per share calculations:		
Average common shares outstanding for basic EPS	316,877,003	321,419,436
Dilutive effect of stock options and awards	5,713,233	3,803,914
Dilutive effect of convertible preferred stock	14,074,348	27,022,042
Average common shares outstanding for diluted EPS	336,664,584	352,245,392
Income from continuing operations:		
Basic earnings per share	$ 0.96	$ 0.61
Diluted earnings per share	$ 0.91	$ 0.59
Net income:		
Basic earnings per share	$ 0.93	$ 0.61
Diluted earnings per share	$ 0.88	$ 0.59

8. The Company adopted Statement of Financial Accounting Standards No. 130, Reporting Comprehensive Income (SFAS No. 130), in the first quarter ended May 2, 1998. The components of other comprehensive income for the Company generally include foreign currency translation adjustments of its foreign subsidiaries (including related hedging activity) and unrealized gains and losses on marketable securities. Restatement of prior period information is required. The computation of comprehensive income follows: (In Thousands)

	13 Weeks Ended		39 Weeks Ended	
	October 31, 1998	October 25, 1997	October 31, 1998	October 25, 1997
Net income	$ 124,619	$105,165	$ 297,262	$206,204
Other comprehensive income (loss) net of reclassification adjustments	(1,284)	7,915	(6,462)	4,091
Total comprehensive income	$ 123,335	$113,080	$ 290,800	$210,295

Cumulative other comprehensive income (loss) is as follows: (In Thousands)

	October 31, 1998	January 31, 1998	October 25, 1997
Cumulative other comprehensive income (loss)	$(3,146)	$3,316	$3,051

Cumulative comprehensive income (loss) has historically been included as a component of additional paid-in capital. As a result of equity transactions during the second quarter, which have eliminated the balance of additional paid-in capital, cumulative comprehensive income (loss) was reclassified to retained earnings.

9. As of November 18, 1998, the outstanding 370,000 shares of Series E preferred stock was mandatorily converted into 7,989,204 shares of common stock in accordance with its terms. During the current fiscal year, prior to November 18, 1998, shareholders voluntarily converted 357,300 shares of Series E preferred stock into 7,714,973 shares of common stock (adjusted for the June 1998 stock split).

10. During 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133 "Accounting for Derivative Instruments and Hedging Activities". This Statement established accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. This statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company believes that the impact of implementation of this new standard will be immaterial.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Thirteen Weeks (Third Quarter) and Thirty-Nine Weeks Ended October 31, 1998 Versus Thirteen Weeks and Thirty-nine Weeks Ended October 25, 1997

Net sales from continuing operations for the third quarter were $2,026.6 million, up 7% from $1,887.7 million last year. For the nine months, net sales from continuing operations were $5,666.7 million, up 10% from $5,146.2 million for the same period last year. The increase in sales is primarily attributable to an increase in same store sales and new stores. Same store sales for the third quarter increased by 1% at T.J. Maxx, 1% at Marshalls, 10% at Winners, 10% at HomeGoods and 12% at T.K. Maxx. Same store sales for the nine months increased by 4% at T.J. Maxx, 5% at Marshalls, 13% at Winners, 8% at HomeGoods and 11% at T.K. Maxx.

Income from continuing operations for the third quarter was $133.7 million, or $.40 per common share (diluted) versus $106.9 million, or $.31 per common share. For the nine months ended October 31, 1998, income from continuing operations was $306.3 million, or $.91 per common share versus $208.0 million, or $.59 per common share. After a $9 million after-tax charge for contingent lease obligations relating to discontinued operations, net income for the third quarter and nine months ended October 31, 1998 was $124.6 million, or $.38 per common share, and $297.3 million, or $.88 per common share, respectively. After a $1.8 million extraordinary charge for the early retirement of the Company's revolving credit agreement, net income for the third quarter and nine months ended October 25, 1997 was $105.2 million, or $.30 per common share, and $206.2 million, or $.59 per common share, respectively.

The following table sets forth operating results expressed as a percentage of net sales (continuing operations):

	Percentage of Net Sales			
	13 Weeks Ended		39 Weeks Ended	
	10/31/98	10/25/97	10/31/98	10/25/97
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales, including buying and occupancy costs	73.1	74.9	74.6	76.6
Selling, general and administrative expenses	15.9	15.2	16.3	16.4
Interest expense, net	.1	.2	.1	.1
Income from continuing operations before income taxes and extraordinary item	10.9%	9.7%	9.0%	6.9%

Cost of sales, including buying and occupancy costs as a percent of net sales, decreased in both periods from the prior year. The improvement in both periods reflects improved merchandise margins, particularly at T.J. Maxx and Marshalls, resulting from strong inventory management. In addition, for the year-to-date period, the improvement in this ratio reflects strong sales growth.

Prior year selling, general and administrative expenses for the quarter and nine months have been reduced by a pre-tax gain of $6 million relating to the sale of Brylane Inc. common stock. After adjusting for this gain, selling, general and administrative expenses, as a percentage of net sales, increased in the quarter and decreased year-to-date. The improvement in this ratio for the nine months is primarily due to the strong sales performance. In the third quarter, this ratio increased reflecting the impact of higher store payroll costs.

Interest expense, net, includes income of $4.1 million in the third quarter and $15.0 million in the first nine months of the current year, versus interest income of $2.8 million and $14.3 million for the quarter and nine months ended last year. Gross interest expense decreased due to the early write-off of deferred financing costs associated with the Company's replacement, in September 1997, of its former revolving credit agreement, as well as the benefit of reduced fees associated with the new agreement.

The Company's effective income tax rate is 39.8% for the quarter and nine months ended October 31, 1998 versus 41.4% for the third quarter and nine months ended last year. This reduction is due to a lower effective state income tax rate, the impact of foreign operations and a favorable tax benefit associated with a charitable donation of appreciated property.

The following table sets forth the operating results of the Company's major business segments: (unaudited)

	(In Thousands)			
	13 Weeks Ended		39 Weeks Ended	
	October 31, 1998	October 25, 1997	October 31, 1998	October 25, 1997
Net sales:				
Off-price family apparel stores	$ 1,994,782	$ 1,864,480	$ 5,582,666	$ 5,081,271
Off-price home fashion stores	31,796	23,218	83,995	64,949
	$ 2,026,578	$ 1,887,698	$ 5,666,661	$ 5,146,220
Operating income (loss):				
Off-price family apparel stores	$ 234,040	$ 193,608	$ 558,871	$ 410,180
Off-price home fashion stores	(589)	(1,917)	(5,091)	(8,456)
	233,451	191,691	553,780	401,724
General corporate expense	9,253	4,880	40,112	38,490
Goodwill amortization	652	654	1,957	1,961
Interest expense, net	1,507	3,654	2,890	6,054
Income from continuing operations before income taxes and extraordinary item	$ 222,039	$ 182,503	$ 508,821	$ 355,219

The off-price family apparel stores segment significantly increased its operating income for both the third quarter and nine months. This segment's increased operating results reflect strong inventory management in both periods and the strong sales performance for the year-to-date period. General corporate expense for the periods ended October 25, 1997, includes the pre-tax gain of $6 million relating to the sale of Brylane Inc. common stock. After adjusting for this gain, general corporate expenses for both periods ended October 31, 1998, decreased from the prior year primarily due to higher charges in the prior year associated with a deferred compensation award (initially denominated in shares of the Company's common stock), granted to the Company's Chief Executive Officer in the first quarter of fiscal 1998.

Stores in operation at the end of the period are as follows:

	October 31, 1998	October 25, 1997
T.J. Maxx	600	582
Marshalls	471	460
Winners	87	75
HomeGoods	31	24
T.K. Maxx	39	29
A.J. Wright	5	-

FINANCIAL CONDITION

Cash flows from operating activities for the nine months reflect increases in inventories and accounts payable that are primarily due to normal seasonal requirements.

In October 1998, the Company announced it had completed its $250 million stock buyback program initiated in February 1998, and that it had approved the purchase of an additional $750 million of the Company's common stock. During the nine months ended October 31, 1998, the Company repurchased a combined total of 14,008,000 shares (adjusted for the June 1998 stock split) at a cost of $304.4 million.

On April 8, 1998, the Company approved a two-for-one stock split to be effected in the form of a 100% stock dividend which was subject to approval by the shareholders of an increase in the number of authorized shares of the Company's common stock. On June 2, 1998, the Company's shareholders approved the increase making the two-for-one stock split effective. The split was distributed on June 25, 1998 to shareholders of record on June 11, 1998 and resulted in the issuance of 158.9 million shares of common stock. All historical earnings per share amounts have been restated to reflect the two-for-one stock split as well as the two-for-one stock split distributed in June 1997.

During the quarter ended October 1997, the Company converted a portion of the Brylane note into 352,908 shares of Brylane, Inc., common stock which it sold for $15.7 million. This sale resulted in an after-tax gain of $3.6 million, or $.01 per share.

The following table (unaudited) sets forth the shareholders' equity transactions for the nine months ended October 31, 1998: (Dollars In Millions)

	Prfd Stock Face Value	Common Stock Par Value	Add'l Paid-In Capital	Retained Earnings	Total
Balance, January 31, 1998	$ 72.7	$ 159.9	$ 202.0	$ 729.4	$1,164.0
Net income	-	-	-	297.3	297.3
Cash dividends:					
Preferred	-	-	-	(3.5)	(3.5)
Common	-	-	-	(28.5)	(28.5)
Conversion of Series E cumulative convertible preferred stock into common	(31.5)	5.8	25.7	-	-
Common stock repurchased	-	(11.4)	(137.2)	(155.8)	(304.4)
Stock split	-	158.9	(96.5)	(62.4)	-
Issuance of common stock under stock incentive plan	-	1.0	9.3	-	10.3
Comprehensive income (loss)	-	-	(3.3)	(3.1)	(6.4)
Balance, October 31, 1998	$ 41.2	$ 314.2	$ -	$ 773.4	$1,128.8

THE YEAR 2000 ISSUE

The following paragraphs relating to the Year 2000 issue also are designated a Year 2000 Readiness Disclosure within the meaning of the Year 2000 Information and Readiness Disclosure Act.

The operations of the Company rely on various computer technologies which, as is true of many companies, may be affected by what is commonly referred to as the Year 2000 ("Y2K") issue. To address this matter, in October, 1995, the Company began to evaluate whether its computer resources would be able to recognize and accept date sensitive information before and after the arrival of the Year 2000. A failure of these technologies to recognize and process such information could create an adverse impact on the operations of the Company.

In connection with its Y2K evaluation, the Company established a Company-wide Y2K project team to review and assess the Y2K readiness of its computer technologies in each business area, and to remediate, validate and, where necessary, develop contingency plans, to enable these technologies to effect a smooth transition to the Year 2000 and beyond.

These efforts have focused, and will continue to focus, on: (1) the Company's information technology systems in the form of hardware and software (so-called "IT" systems), such as mainframes, client/server systems, personal computers, proprietary software and software purchased or licensed from third parties, upon which the Company relies for its retail functions, such as merchandise procurement and distribution, point-of-sale information systems and inventory control; (2) the Company's embedded computer technologies (so-called "non-IT" systems), such as materials handling equipment, telephones, elevators, climate control devices and building security systems; and (3) the IT and non-IT systems of third parties with whom the Company has commercial relationships to support its daily operations, such as those of banks, credit card processors, payroll services, telecommunications services, utilities and merchandise vendors.

THE COMPANY'S STATE OF READINESS

The Company's review and assessment phase is substantially complete with respect to its IT systems and the Company has identified and inventoried those IT systems which are critical to its operations. As of October 31, 1998, the Company's effort to modify these IT technologies to address the Y2K issue is progressing on schedule, with an estimated target completion date of June 1999. The Company's mainframe operating system has already been remediated, tested and determined to be compliant in a simulated Y2K environment. Ongoing validation testing of this system will be performed during 1999. The Company's proprietary software systems as well as those purchased or licensed from third parties are undergoing remediation and validation testing and such testing will continue during 1999. The remaining non-compliant IT technologies which have been identified as being critical to the Company's operations are scheduled for remediation, validation testing and, where necessary, contingency planning.

With respect to the Company's non-IT systems, the review and assessment phase is in progress and the process of identifying and inventorying such technologies continues on an ongoing basis. The Company has undertaken a program to modify or replace such technologies where they are related to critical functions of the Company and has estimated a target completion date of October 1999 for this portion of the Y2K project plan.

With respect to the IT and non-IT systems of critical third party providers, the Company has already communicated with these parties to obtain assurances regarding their respective Y2K remediation efforts. While the Company expects such third parties to address the Y2K issue based on the representations it has received to date, the Company cannot guarantee that these systems will be made Y2K compliant in a timely manner or that the Company will not experience a material adverse effect as a result of such non-compliance.

COSTS ASSOCIATED WITH YEAR 2000 ISSUES

As of October 31, 1998, the Company has incurred approximately $7.2 million in costs related to the Y2K project. The Company currently estimates that the aggregate cost of the Y2K project will be approximately $13 million, which cost is being expensed as incurred. The Company's Y2K costs are primarily for the cost of internal and third party programming for remediation and testing. All of these costs have been or are expected to be funded through operating cash flows. The aggregate cost estimate is based on the current assessment of the Y2K project and is subject to change as the project progresses. The Company has not deferred the implementation of any significant IT projects while addressing the Y2K issue.

CONTINGENCY PLANS

The Company believes that the IT and non-IT technologies which support its critical functions will be ready for the transition to the Year 2000. There can be no assurance, however, that similar unresolved issues for key commercial partners (including utilities, financial services, building services and transportation services) will not cause an adverse effect on the Company. To address these risks, and to address the risk that its own IT and non-IT technologies will not perform as expected during the Y2K transition, the Company has begun to develop appropriate Y2K contingency plans, which plans will be established and then revised as necessary during the course of 1999. Although the Company believes that its efforts to address the Y2K issue will be sufficient to avoid a material adverse impact on the Company, there can be no assurance that these efforts will be fully effective.

FORWARD-LOOKING INFORMATION
- ---------------------------

Certain statements contained in this Report are forward-looking and involve a number of risks and uncertainties. Among the factors that could cause actual results to differ materially are the following: general economic conditions and consumer demand and consumer preferences and weather patterns in the U.S., Canada and Europe, particularly the United Kingdom; competitive factors, including continuing pressure from pricing and promotional activities of major competitors; impact of excess retail capacity and the availability of desirable store locations on suitable terms; the availability, selection and purchasing of attractive merchandise on favorable terms; import risks, including potential disruptions and duties, tariffs and quotas on imported merchandise, including economic and political problems in countries from which merchandise is imported; currency and exchange rate factors in the Company's foreign operations; risks in the development of new businesses and application of the Company's off-price strategies in foreign countries; acquisition and divestment activities; risks and uncertainties relating to the Year 2000 issue described above; and other factors that may be described in the Company's filings with the Securities and Exchange Commission. The Company does not undertake to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

PART II. Other Information

Item 6(b) REPORTS ON FORM 8-K

The Company was not required to file a current report on Form 8-K during the quarter ended October 31, 1998.

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: December 15, 1998

/s/ Donald G. Campbell
Donald G. Campbell, Executive Vice President - Finance, on behalf of The TJX Companies, Inc. and as Principal Financial and Accounting Officer of The TJX Companies, Inc.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE STATEMENTS OF INCOME AND BALANCE SHEETS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS
JAN-30-1999
OCT-31-1998
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104,392,000
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1,501,362,000
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220,578,000
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4,229,252,000
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508,821,000
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306,310,000
(9,048,000)
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0
297,262,000
.93
.88