

TO OUR FELLOW SHAREHOLDERS:

Reflecting on 2022, we are so proud of what our organization accomplished together. In an uncertain retail environment, our Associates around the world delivered excellent performance. In times like these, our flexible, off-price business model continues to prove its strength and resilience, as we have seen throughout our 46-year history. We are a value leader in all of the countries where we operate as we remain focused on **our mission to deliver great value to our customers every day**. In 2022, our great values on rapidly changing selections of quality, fashionable, brand name, and designer merchandise continued to resonate with a broad range of fashion- and value-conscious consumers across the globe.

Associate Recognition

We are truly grateful to our Associates for their continued commitment to TJX and our customers. Our global store, distribution center, and fulfillment center Associates who come into work every day to bring our business to life for our customers deserve special recognition for their hard work and dedication.

2022 Business Review

In 2022, overall TJX sales closed in on the \$50-billion mark, reaching **\$49.9 billion**, an increase of 3% versus the prior year. We saw total sales growth in both the U.S. overall and our international divisions. During the year, our apparel businesses, including accessories, across the Company were strong. U.S. comparable store sales at Marmaxx and HomeGoods combined were flat versus a very strong 17% U.S. open-only comparable store sales increase last year. We saw strength at TJX Canada and believe that TJX International performed better than many other retailers in a difficult retail environment. Net income for the full year grew to \$3.5 billion, a Company record. Earnings per share were \$2.97, a 10% increase versus \$2.70 last year. Adjusted earnings per share of \$3.11 increased 9% over last year's adjusted earnings per share of \$2.85.¹ Overall pretax profit margin was 9.3% and adjusted pretax profit margin was 9.7%.² Profitability improved over last year despite incremental freight and wage costs, although was slightly below our expectations due to a negative impact from inventory shrink. Long term, we continue to see many opportunities to gain market share in all of our geographies and keep improving our profitability.

Throughout 2022, our global buying, planning, distribution, and store operations teams worked together as "One TJX" to deliver shoppers exciting and rapidly changing assortments of apparel, accessories, and home merchandise at great value every day. We stayed focused on the off-price fundamentals and leveraged our leadership in flexibility and global presence. Our organization of over 1,200 buyers sourced from a universe of approximately 21,000 vendors in 2022 to take advantage of the best opportunities and hottest trends in the marketplace. As a result, we delivered a consistent flow of quality, branded merchandise at excellent value to our stores and online all year long. Our broad range of good, better, and best brands continued to appeal to customers spanning a wide demographic reach, and our teams did an excellent job with both buying and retailing the goods. Our off-price treasure hunt continued to provide customers a shopping experience that is both entertaining and inspires shopping ideas. With this, our customer satisfaction scores remained very strong. We were a gift-giving shopping destination for the holiday season and see year-round gift giving as another opportunity for our business.

We are extremely pleased with the performance of **Marmaxx**, our largest division, which drove a comparable store sales increase of 3% over 13% open-only comp sales growth in 2021. Total Marmaxx divisional sales, including Sierra, reached \$30 billion and segment profit margin was 12.7%. As expected, sales at our home businesses, including **HomeGoods**, were softer following two straight years of extraordinary consumer focus on home categories. Long term, we continue to see great potential to grow HomeGoods' stores and for profitability to improve significantly. At **TJX Canada**, net sales were nearly \$5 billion and segment profit margin increased to a very strong 14%. **TJX International's** sales surpassed \$6 billion and segment profit margin improved over the prior year. As to **e-commerce**, while it represents a very small percentage of our overall net sales, it allows us to offer shoppers our great brands and values 24 hours a day.

Financial Position and Shareholder Distributions

In 2022, we generated \$4.1 billion in operating cash flow and ended the year with \$5.5 billion of cash on our consolidated balance sheet. We enter the new year with a very strong balance sheet and plenty of liquidity to run the business. We continue to be in an excellent position to invest in the growth of our business while simultaneously returning significant cash to our shareholders.

We were pleased to return **\$3.6 billion to shareholders through our buyback and dividend programs** in 2022, which is the most we have returned to shareholders over a one-year period in our 46-year history. In March 2023, our Board of Directors approved a 13% increase in our quarterly dividend, to 33.25 cents per share—marking our 26th dividend increase in the last 27 years. Further, we plan to buy back an additional \$2.0 to \$2.5 billion of TJX stock in 2023. We have bought back over \$28 billion in TJX stock over the past 26 years.

Looking Forward

Again, we are so proud of the outstanding performance and execution of our teams in 2022, and we enter 2023 in a position of strength. We are convinced that the characteristics of our business and the depth of talent in our organization set us apart from many other major retailers and will allow us to capitalize on the opportunities we see to further grow our top and bottom lines. Thanks to the talent of our world-class buyers, strong vendor relationships, global buying presence, flexibility, and financial liquidity, we are in an excellent position to capitalize on the phenomenal availability of merchandise we see in the marketplace. We are confident that we will continue to have plenty of quality, branded goods available to us and we will continue to offer consumers around the world great values and freshness every day. We also remain focused on our sales and profitability initiatives, including looking for ways to mitigate inventory shrink. We are confident in our current plans to improve our profitability this year and to reach our pretax profit margin target of 10.6% by 2024 (Fiscal 2025). Longer term, we are confident that we are on track to becoming **an increasingly profitable, \$60 billion-plus revenue company**.

Corporate Responsibility

During 2022, our corporate responsibility priorities continued to focus on areas such as Associate well-being, inclusion and diversity (I&D), and environmental sustainability. Our environmental sustainability teams around the globe have been focused on the expanded and accelerated global goals that we announced in April 2022. These include goals to achieve net zero greenhouse gas emissions in our operations by 2040 and to source 100% renewable energy for our purchased electricity by 2030, as well as targets around operational waste and packaging.

Supporting I&D also continues to be a core focus of our corporate responsibility program. Our global teams have developed and launched many initiatives to support our three global I&D strategies, including recruitment strategies, training and education, Associate-led I&D advisory boards, and additional Associate Resource Groups. As in previous years, our commitment to I&D extends to our community giving program as well, and in 2022, we continued to support nonprofit organizations working toward racial justice through new grants to a number of national organizations.

Altogether, through our charitable giving and with the generous contributions of our customers and Associates during 2022, we supported more than 2,000 organizations globally, across a range of important causes. As just a few examples, our charitable giving program allowed these organizations around the world to provide more than 25 million meals to individuals experiencing food insecurity, to assist in the aftermath of global natural disasters, and to offer relief efforts in Ukraine.

Consistent with our corporate values, in 2022, we announced and completed the divestiture of our minority stake in Russian off-price retailer Familia.

On our corporate website, TJX.com, we provide further information on our ongoing global corporate responsibility efforts, as well as our business operations and financial results.³

Board of Directors and Our Gratitude

We want to extend our sincere gratitude to John F. (“Jack”) O’Brien who stepped away from the Board of Directors due to illness last year. Jack made significant contributions to TJX over his more than 25 years on our Board. He served as our Lead Independent Director for 18 years and served on other key committees at various times throughout his tenure. His deep financial expertise and strong business acumen provided lasting value to the growth of our business, including launching in new regions and adding new retail banners. On behalf of TJX and the entire Board of Directors, we are forever grateful to Jack for his service to our organization, and wish Jack and his family all the best.

We also want to thank Zein Abdalla for his many years of service to the TJX Board of Directors from 2012 until June 2022. Zein made numerous contributions to our Company over the years. We wish Zein success in his future endeavors and the best for him and his family.

Finally, we would like to again thank our global Associates for their efforts, hard work, and dedication. We are also grateful to our customers for their loyal shopping visits and to our fellow shareholders, vendors, and other business associates for their support throughout the year.



Carol Meyrowitz
Executive Chairman of the Board



Ernie Herrman
Chief Executive Officer and President

¹ Fiscal 2023 adjusted diluted earnings per share excluded a \$0.14 net of tax charge related to a write-down and the divestiture of the Company’s minority investment in Familia. Fiscal 2022 adjusted diluted earnings per share excluded a \$0.15 debt extinguishment charge.

² Fiscal 2023 adjusted pretax profit margin excluded a 0.4 percentage point charge related to a write-down of the Company’s minority investment in Familia.

³ Information appearing on TJX.com is not a part of, and is not incorporated by reference into, this letter.