

TO OUR FELLOW SHAREHOLDERS:

The year 2023 was another excellent year for TJX! We are extremely proud of the terrific performance of our teams. By staying focused on the fundamentals of our flexible, off-price business model, we delivered another year of outstanding results, extending our long track record of top- and bottom-line growth. Throughout our 47-year history, staying true to **our mission to deliver great value to our customers every day** has allowed us to successfully grow our Company through many kinds of retail and economic environments. As the global leader in off-price retailing, we are confident that **we gained market share in every geography** we operate in around the world. Our exciting values on rapidly changing assortments of quality, fashionable, brand name, and designer merchandise continued to resonate with a wide range of fashion- and value-conscious consumers in 2023. We finished the year strong, and we enter a new fiscal year in a great position to capitalize on the plentiful opportunities we see for our business in the near- and long-term.

Associate Recognition

Our success in 2023 would not be possible without our Associates, and we are truly grateful for their continued commitment to TJX and our customers. Our talented Associates around the world work every day to bring our business to life for our shoppers and deserve special recognition for their hard work and dedication to our Company.

2023 Business Review

In 2023, total overall sales surpassed **\$50 billion**, a milestone for our Company. Our consolidated annual sales growth of 9%, consolidated comparable store sales growth of 5%, significant increase in profitability, and double-digit diluted earnings per share growth all exceeded our initial expectations for the year. We saw comparable store sales growth at every division driven by increases in customer transactions. Net income for the 53-week fiscal year grew to \$4.5 billion. For the 53-week fiscal year, diluted earnings per share were \$3.86, a 30% increase over \$2.97 in the 52-week Fiscal 2023 year. Adjusted diluted earnings per share of \$3.76, increased 21% over last year's adjusted diluted earnings per share of \$3.11.¹ Overall profitability grew significantly over last year with pretax profit margin of 11.0% and adjusted pretax profit margin of 10.9%.² This was despite continuing cost pressure from wages and supply chain investments to support our growth. While we were encouraged by a benefit from lower freight costs, this continues to be a pressure to our expense structure compared to the pre-COVID period. During the year, while staying focused on delivering a pleasant shopping experience for our customers, our teams worked very hard to mitigate the impact of inventory shrink, and we were pleased with the positive results. At the same time, we remain laser-focused on making further improvements in this area going forward.

Throughout the year, our global buying, planning, distribution, and store operations teams worked together as "**One TJX**" to deliver customers exciting and rapidly changing selections of apparel, accessories, and home merchandise at great value every day. Our organization of over 1,300 buyers sourced merchandise from a universe of more than 21,000 vendors and from over 100 countries in 2023, leveraging our flexibility and global presence to capitalize on some of the best opportunities and hottest trends in the marketplace. All year long, we consistently flowed quality, branded merchandise at compelling prices to our stores and online. Our broad range of good, better, and best brands continued to appeal to customers spanning a wide demographic reach, and our teams continued to do an excellent job with both buying and retailing the goods. Our off-price treasure hunt provides customers a shopping experience that is both entertaining and inspiring for purchase decisions.

Through our customer surveys, we were pleased to see our satisfaction scores and our value perception remain very strong. We were a gift-giving shopping destination for the holiday season, and we see year-round gifting moments as a great opportunity to drive even more consumers to our stores.

For the full year, all four of our divisions delivered comparable store sales increases driven by customer transactions. We are happy to drive top-line growth in this way as it speaks to our market share gains, which we are convinced we can continue to increase. At **Marmaxx**, including Sierra, sales well exceeded \$30 billion and the total number of TJ Maxx and Marshalls stores surpassed 2,500. Comparable store sales increased 6% for our largest division and segment profit margin was a very strong 13.8%. Marmaxx saw strength across its apparel, accessories, and home categories, and consistent comparable store sales performance across all regions and income demographics. We also were very pleased with the sales performance of our **Sierra** stores, which offer consumers merchandise for an outdoor, active lifestyle at great values. **HomeGoods'** sales reached nearly \$9 billion, comparable store sales grew 3%, and segment profit margin improved to 9.6%. We were particularly pleased to see sales trend up significantly in the second half of the year. At **TJX Canada**, total sales surpassed \$5 billion, comparable store sales increased 3%, and segment profit margin was a very strong 14.2%. At **TJX International**, including Europe and Australia, sales approached \$7 billion and comparable store sales grew 3%. TJX International's segment profit margin of 4.9% included a negative impact from a German Government COVID program receivable.

For **e-commerce**, we were very pleased with the sales performance and momentum we saw during the year. While our online business represents a small percentage of our overall net sales, we are happy to offer consumers the ability and convenience to shop our values 24/7. In the fall, we closed online shopping on HomeGoods.com to focus on our very successful physical stores and again, we were pleased with the sales momentum we saw in our stores as the year progressed.

Financial Position and Shareholder Distributions

In 2023, we generated \$6.1 billion in operating cash flow and ended the year with \$5.6 billion of cash on our consolidated balance sheet. We enter 2024 with a very strong balance sheet and plenty of liquidity to run our 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 **\$4.0 billion to shareholders through our buyback and dividend programs** in 2023, which is the most we have returned to shareholders over a one-year period in our 47-year history. In April 2024, our Board of Directors approved a 13% increase in our quarterly dividend to 37.5 cents per share – marking our 27th dividend increase in the last 28 years. Further, we plan to buy back an additional \$2.0 to \$2.5 billion of TJX stock in 2024. We have bought back over \$30 billion in TJX stock over the past 27 years.

Looking Forward

We are very proud of the performance and execution of our teams in 2023 and we begin 2024 in a position of strength. We are confident in our plans for this year and as always, will strive to beat them. We are convinced that the characteristics of our off-price business and the unmatched depth of talent in our organization are major differentiators and strengths that will allow us to leverage the potential we see to further grow our top and bottom lines. With our world-class buyers, strong vendor relationships, global buying presence, flexibility, and financial liquidity, we are in an excellent position to capitalize on the outstanding availability of quality, branded merchandise in the marketplace and flow fresh goods at great values to our stores and online. Longer term, we continue to see excellent opportunities to drive sales, increase our store base, capture additional market share in our geographies around the world, and further increase the profitability of TJX. We plan to add a total of over 140 stores in 2024 and longer term, see the potential to expand to nearly 6,300 stores with our current concepts in our current countries alone.

Corporate Responsibility

Our Company values are core to our many corporate responsibility initiatives we have launched over many years. We see these programs as an extension of our value mission, as we support our Associates, give back to the communities where we operate, help mitigate our impact on the environment, and operate our business responsibly.

Delving further, we continue to make progress on our **inclusion and diversity (I&D)** journey, guided by our global priorities that aim to support an inclusive workplace. These priorities were developed, in part, based on Associate feedback from our 2021 Global Inclusion Survey. Earlier this year, we launched our 2024 Global Inclusion Survey, to give all TJX Associates the opportunity to have their voice heard, help us understand our progress, and inform future I&D initiatives.

Our **TJX charitable foundations** in the U.S. and in our international divisions provided financial donations to more than 2,000 nonprofit organizations around the globe in 2023, supporting a variety of important causes including education, food insecurity, and medical care. Our giving efforts also supported those affected by the wildfires in Maui and Canada, and the earthquakes in Turkey, Syria, and Morocco to help provide hunger relief and aid. Our Associates are also engaged in this work, running in-store fundraisers, participating in our Associate Nominated Grant program, serving as career coaches, and more. We continue to be grateful for the generosity of our customers, who provided donations during our in-store fundraising campaigns throughout the year.

Our teams around the globe continue to make strides towards our **global environmental sustainability goals** and have been collaborating in efforts to reduce our greenhouse gas emissions, source more renewable energy, minimize our operational waste, and look for opportunities to reduce the environmental impact of certain products and packaging. Specifically, to reduce energy consumption in our own operations, where feasible, we are implementing light-emitting diode (LED) technologies and installing high-efficiency HVAC systems in existing stores and distribution centers globally. Additionally, our global approach to managing waste includes efforts to maximize reuse and recycling of operational waste and collaborate with our waste-haulers and certain vendors and suppliers on solutions that improve our ability to divert operational waste materials from landfills.

We are very serious about operating our business responsibly and our approach to our **Global Social Compliance Program**, which includes our factory auditing program that focuses on factories where we have more influence in bringing products to market. In 2023 we audited, or received audit reports from, more than 3,100 factories in approximately 30 countries. We also provide periodic training for buying agents, vendors, factory management, and our own buyers to reinforce the expectations of our Vendor Code of Conduct and require compliance with the Vendor Code as part of our standard merchandise purchase order.

We appreciate the dedication of our Associates throughout the business who continue to build and execute our corporate responsibility initiatives. Further information on our ongoing global corporate responsibility efforts, as well as our business operations and financial results can be found on our corporate website, TJX.com.³

Board of Directors and Our Gratitude

We would like to gratefully acknowledge the dedication and many years of service of Michael F. Hines, whose tenure on the Board of Directors ended in June 2023. Mike served as Director since 2007 and made numerous contributions to our Company over the years. We wish Mike our best and success in his future endeavors.

We are also pleased to welcome Charles F. Wagner, Jr. to our Board of Directors. His deep financial knowledge complements the wide-ranging experience among our existing Directors, all of which is important to the oversight of our integrated, global business. We look forward to working with Charlie as we continue to focus on the near- and long-term successful growth of our great Company.

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



Carol Meyrowitz
Executive Chairman of the Board



Ernie Herrman
Chief Executive Officer and President

¹ TJX full-year Fiscal 2024 adjusted diluted earnings per share excluded an estimated \$0.10 benefit from the extra week in the Company's Fiscal 2024 calendar. 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.

² TJX full-year Fiscal 2024 adjusted pretax profit margin excluded an estimated 0.1 percentage point benefit from the extra week in Fiscal 2024.

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