

The TJX Companies, Inc.

CONSOLIDATED STATEMENTS OF INCOME

Amounts in thousands except per share amounts	Fiscal Year Ended		
	January 30, 2016	January 31, 2015	February 1, 2014
Net sales	\$30,944,938	\$29,078,407	\$27,422,696
Cost of sales, including buying and occupancy costs	22,034,523	20,776,522	19,605,037
Selling, general and administrative expenses	5,205,715	4,695,384	4,467,089
Loss on early extinguishment of debt	—	16,830	—
Interest expense, net	46,400	39,787	31,081
Income before provision for income taxes	3,658,300	3,549,884	3,319,489
Provision for income taxes	1,380,642	1,334,756	1,182,093
Net income	\$ 2,277,658	\$ 2,215,128	\$ 2,137,396
Basic earnings per share:			
Net income	\$ 3.38	\$ 3.20	\$ 3.00
Weighted average common shares – basic	673,484	692,691	713,470
Diluted earnings per share:			
Net income	\$ 3.33	\$ 3.15	\$ 2.94
Weighted average common shares – diluted	683,251	703,545	726,376
Cash dividends declared per share	\$ 0.84	\$ 0.70	\$ 0.58

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

The TJX Companies, Inc.

CONSOLIDATED BALANCE SHEETS

Amounts in thousands except share amounts	Fiscal Year Ended	
	January 30, 2016	January 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,095,473	\$ 2,493,775
Short-term investments	352,313	282,623
Accounts receivable, net	238,072	213,824
Merchandise inventories	3,695,113	3,217,923
Prepaid expenses and other current assets	380,530	356,824
Federal, state, and foreign income taxes recoverable	11,059	12,475
Total current assets	6,772,560	6,577,444
Property at cost:		
Land and buildings	1,013,247	888,580
Leasehold costs and improvements	2,943,191	2,780,932
Furniture, fixtures and equipment	5,112,229	4,671,029
Total property at cost	9,068,667	8,340,541
Less accumulated depreciation and amortization	4,931,092	4,472,176
Net property at cost	4,137,575	3,868,365
Non-current deferred income taxes, net	13,831	22,532
Other assets	231,720	210,539
Goodwill and tradenames, net of amortization	343,796	309,870
TOTAL ASSETS	\$11,499,482	\$10,988,750
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 2,203,050	\$ 2,007,511
Accrued expenses and other current liabilities	2,069,659	1,796,122
Federal, state and foreign income taxes payable	129,521	126,001
Total current liabilities	4,402,230	3,929,634
Other long-term liabilities	881,021	888,137
Non-current deferred income taxes, net	285,102	282,885
Long-term debt	1,624,054	1,623,864
Commitments and contingencies (See Note L and Note N)		
SHAREHOLDERS' EQUITY		
Preferred stock, authorized 5,000,000 shares, par value \$1, no shares issued	—	—
Common stock, authorized 1,200,000,000 shares, par value \$1, issued and outstanding 663,495,715 and 684,733,200, respectively	663,496	684,733
Additional paid-in capital	—	—
Accumulated other comprehensive income (loss)	(667,472)	(554,385)
Retained earnings	4,311,051	4,133,882
Total shareholders' equity	4,307,075	4,264,230
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$11,499,482	\$10,988,750

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

The TJX Companies, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in thousands	Fiscal Year Ended		
	January 30, 2016	January 31, 2015	February 1, 2014
Cash flows from operating activities:			
Net income	\$ 2,277,658	\$ 2,215,128	\$ 2,137,396
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	616,696	588,975	548,823
Loss on property disposals and impairment charges	3,383	3,897	7,914
Deferred income tax provision	31,204	102,070	52,233
Share-based compensation	94,107	88,014	76,080
Early extinguishment of debt	—	16,830	—
Excess tax benefits from share-based compensation	(64,680)	(95,063)	(82,546)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(27,357)	(9,052)	11,979
(Increase) decrease in merchandise inventories	(506,633)	(332,271)	35,233
Decrease (increase) in taxes recoverable	1,416	(12,475)	—
(Increase) decrease in prepaid expenses and other current assets	(41,519)	3,719	(3,354)
Increase (decrease) in accounts payable	216,265	285,223	(152,271)
Increase (decrease) in accrued expenses and other liabilities	284,929	20,800	(29,590)
Increase in income taxes payable	68,014	144,977	10,994
Other	(16,140)	(12,403)	(12,425)
Net cash provided by operating activities	2,937,343	3,008,369	2,600,466
Cash flows from investing activities:			
Property additions	(889,380)	(911,522)	(946,678)
Purchases of investments	(798,008)	(431,152)	(496,657)
Sales and maturities of investments	681,377	388,037	394,914
Cash paid for acquisition of Trade Secret, net of cash received	(57,104)	—	—
Cash received at completion of acquisition of Sierra Trading Post	—	—	2,653
Net cash (used in) investing activities	(1,063,115)	(954,637)	(1,045,768)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	—	749,475	499,555
Cash payments for extinguishment of debt	—	(416,357)	—
Cash payments for debt issuance expenses	—	(6,185)	(4,297)
Cash payments for rate lock agreement	—	(7,937)	(3,251)
Cash payments for repurchase of common stock	(1,828,297)	(1,650,704)	(1,471,096)
Proceeds from issuance of common stock	132,033	143,005	146,495
Excess tax benefits from share-based compensation	64,680	95,063	82,546
Cash dividends paid	(544,271)	(465,902)	(393,755)
Net cash (used in) financing activities	(2,175,855)	(1,559,542)	(1,143,803)
Effect of exchange rate changes on cash	(96,675)	(150,161)	(73,106)
Net (decrease) increase in cash and cash equivalents	(398,302)	344,029	337,789
Cash and cash equivalents at beginning of year	2,493,775	2,149,746	1,811,957
Cash and cash equivalents at end of year	\$ 2,095,473	\$ 2,493,775	\$ 2,149,746

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