

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-15059

A. Full title of the plan and the address of the plan, if different from that of the issuer below:

Nordstrom 401(k) Plan & Profit Sharing

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Nordstrom, Inc.  
1617 Sixth Avenue, Seattle, Washington 98101

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Required Information

1. Not applicable

2. Not applicable

3. Not applicable

4. The Nordstrom 401(k) Plan & Profit Sharing is subject to the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). Plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA are filed as Exhibit 99.1.

The Consent of Independent Registered Public Accounting Firm is filed as Exhibit 23.1.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the administrators of the employee benefit plan have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Nordstrom 401(k) Plan & Profit Sharing

Date: June 15, 2006

/s/ Michael G. Koppel

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Michael G. Koppel  
Executive Vice President and  
Chief Financial Officer  
of Nordstrom, Inc.

Plan Administrator of Nordstrom  
401(k) Plan & Profit Sharing

## Nordstrom 401(k) Plan &amp; Profit Sharing

## FORM 11-K Exhibit Index

This exhibit list is provided pursuant to the requirement of the Securities Exchange Act section 240.0-3.

| Exhibit<br>-----  | Method of Filing<br>-----   |
|---|---|
| 23.1 Consent of Independent Registered<br>Public Accounting Firm                                | Filed herewith electronically   |
| 99.1 Nordstrom 401(k) Plan & Profit<br>Sharing Financial Statements                             | Filed herewith electronically   |
| 99.2 Nordstrom 401(k) Plan & Profit<br>Sharing, as amended and<br>restated on January 1, 2004   | Incorporated by reference from the<br>Nordstrom, Inc. Annual Report on<br>Form 11-K for the year ended<br>December 31, 2003, Exhibit 99.2 |
| 99.3 Amendment 2005-1 to the<br>Nordstrom 401(k) Plan & Profit<br>Sharing dated January 1, 2004 | Incorporated by reference from the<br>Nordstrom, Inc. Annual Report on<br>Form 10-K for the year ended<br>January 28, 2006, Exhibit 10.6  |
| 99.4 Amendment 2005-2 to the<br>Nordstrom 401(k) Plan & Profit<br>Sharing dated January 1, 2004 | Incorporated by reference from the<br>Nordstrom, Inc. Annual Report on<br>Form 10-K for the year ended<br>January 28, 2006, Exhibit 10.7  |



CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 033-18321, 333-63403, 333-40064, 333-40066, 333-79791, 333-101110, and 333-118756 on Form S-8, each of Nordstrom, Inc. and subsidiaries, of our report dated June 15, 2006, appearing in this Annual Report on Form 11-K of Nordstrom 401(k) Plan & Profit Sharing for the year ended December 31, 2005.

/s/ Deloitte & Touche LLP  
Seattle, Washington  
June 14, 2006

Nordstrom 401(k) Plan & Profit Sharing  
Financial Statements as of and for the Years Ended  
December 31, 2005 and 2004, and Supplemental Schedule as of  
December 31, 2005, and  
Report of Independent Registered Public Accounting Firm

NORDSTROM 401(K) PLAN & PROFIT SHARING

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|   |  |
|---|--|
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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Administrative Committee  
Nordstrom 401(k) Plan & Profit Sharing  
Seattle, Washington

We have audited the accompanying statements of net assets available for benefits of the Nordstrom 401(k) Plan & Profit Sharing (the "Plan") as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of Plan sponsor's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes as of December 31, 2005, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan sponsor's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2005 financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

/s/ Deloitte & Touche LLP  
Seattle, Washington  
June 13, 2006

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NORDSTROM 401(k) PLAN & PROFIT SHARING

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2005 AND 2004  
(dollar amounts in thousands)

| 2005                      | 2004                   | ---               |
|---------------------------|------------------------|-------------------|
| -----                     |                        |                   |
| <del>ASSETS:</del>        |                        |                   |
| <del>Participant</del>    |                        |                   |
| <del>directed</del>       |                        |                   |
| <del>investments</del>    |                        |                   |
| <del>at fair value</del>  |                        |                   |
|                           | <del>\$1,461,492</del> |                   |
|                           | <del>\$1,269,831</del> |                   |
| <del>Employer</del>       |                        |                   |
| <del>contributions</del>  |                        |                   |
| <del>receivable</del>     |                        |                   |
|                           | <del>66,436</del>      | <del>54,576</del> |
| <del>Accrued</del>        |                        |                   |
| <del>interest and</del>   |                        |                   |
| <del>dividends</del>      |                        |                   |
| <del>receivable</del>     |                        |                   |
|                           | <del>355</del>         | <del>281</del>    |
| <del>Other</del>          |                        |                   |
| <del>assets</del>         |                        |                   |
|                           | <del>2,092</del>       |                   |
|                           | <del>1,194</del>       |                   |
| -----                     |                        |                   |
| <del>Total</del>          |                        |                   |
| <del>assets</del>         |                        |                   |
|                           | <del>1,530,375</del>   |                   |
|                           | <del>1,325,882</del>   |                   |
| <del>LIABILITIES:</del>   |                        |                   |
| <del>Trustee and</del>    |                        |                   |
| <del>administrative</del> |                        |                   |
| <del>fees payable</del>   |                        |                   |
|                           | <del>463</del>         | <del>602</del>    |
| <del>Excess</del>         |                        |                   |
| <del>contributions</del>  |                        |                   |
| <del>payable to</del>     |                        |                   |
| <del>participants</del>   |                        |                   |
|                           | <del>761</del>         |                   |
| -----                     |                        |                   |
| <del>Total</del>          |                        |                   |
| <del>liabilities</del>    |                        |                   |
|                           | <del>1,224</del>       | <del>602</del>    |
| -----                     |                        |                   |
| <del>NET</del>            |                        |                   |
| <del>ASSETS</del>         |                        |                   |
| <del>AVAILABLE FOR</del>  |                        |                   |
| <del>BENEFITS</del>       |                        |                   |
|                           | <del>\$1,529,151</del> |                   |
|                           | <del>\$1,325,280</del> |                   |
| -----                     |                        |                   |
| -----                     |                        |                   |

The accompanying Notes to the Financial Statements are an integral part of these statements.

NORDSTROM 401(k) PLAN & PROFIT SHARING

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEARS ENDED DECEMBER 31, 2005 and 2004  
(dollar amounts in thousands)

2005 2004 ---



~~-----~~  
~~-----~~  
~~ADDITIONS:~~  
Employer  
contributions  
\$66,436  
\$54,576  
Participant  
contributions  
63,917 61,414  
Investment  
income: Net  
realized and  
unrealized  
investment  
gains 141,967  
113,063  
Interest and  
dividends  
33,656 30,421  
-----  
Total  
investment  
income  
175,623  
143,484  
-----  
Total  
additions  
305,976  
259,474  
-----  
DEDUCTIONS:  
Benefit  
payments to  
participants  
(99,377)  
(93,963)  
Trustee fees,  
administrative  
expenses, and  
other (2,728)  
(2,528)  
-----  
Total  
deductions  
(102,105)  
(96,491)  
-----  
NET  
ADDITIONS  
203,871  
162,983 NET  
ASSETS  
AVAILABLE FOR  
BENEFITS:  
Beginning of  
year  
1,325,280  
1,162,297  
-----  
End of  
year  
\$1,529,151  
\$1,325,280  
=====

The accompanying Notes to the Financial Statements are an integral part of these statements.

1. THE PLAN AND SIGNIFICANT ACCOUNTING POLICIES

General-The Nordstrom 401(k) Plan & Profit Sharing (the "Plan"), as amended, was originally established on January 1, 1953. The Plan is an individual account profit sharing plan, which, since February 1, 1988, has included a 401(k) feature. Participants should refer to the Plan documents for a more complete description of the Plan's provisions. The following description is for informational purposes only and does not bind the Plan.

All employees in an eligible employment classification of Nordstrom, Inc. and participating subsidiaries (the "Company") are eligible to participate in the Plan. For purposes of eligibility for Company profit sharing and matching contributions, participation begins on the first day of the calendar month coinciding with or following the one-year anniversary from the employee's original hire date. For purposes of eligibility to make elective salary deferrals (401(k) contributions), participation begins on the first of the month coinciding with or following three full months of employment. The Plan also contains special eligibility provisions to ensure that all employees enter the Plan by the latest participation date required under the applicable provisions of the Internal Revenue Code.

Eligible employees who do not elect a different salary deferral contribution are automatically enrolled in the Plan beginning on the first of the month coinciding with or following the first anniversary of the employee's employment commencement date with a salary deferral contribution equal to 2% of compensation. Employees have the option to elect a zero percent salary deferral or to change their salary deferral percentage in accordance with the Plan.

For the Plan year ended December 31, 2005, to qualify for Company profit sharing and matching contributions, participants must work at least 1,000 hours during the payroll calendar year and be employed on the last day of the Plan Year (the "last day" requirement is waived if the participant terminates employment due to retirement, disability or death).

Effective January 1, 2005, the Plan was amended as follows:

- - to reflect an employee's ability to irrevocably waive eligibility to participate in the Plan;
- - to clarify the Plan's administration of insurance contracts held for investment in participant accounts;
- - to reduce the threshold amount for involuntary distribution of a participant's account from \$5 to \$1 for distributions on and after March 28, 2005; and
- - to increase the period of non-payment after which a participant loan will be deemed in default from 80 days to 90 days.

Effective January 1, 2004, the Plan was amended as follows:

- - to establish uniform eligibility criteria for Company profit sharing and matching contributions;

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- - to change the automatic enrollment date for elective salary deferrals from the first of the month after three months of employment to the first of the month after the first anniversary of the employee's employment commencement date;
- - to increase the maximum elective salary deferral percentage for non-highly compensated employees to 50% from 15% of eligible Plan compensation; and
- - to change the timing and availability rules for in-service distributions and hardship withdrawals.

Along with these design changes, effective January 1, 2004, the Plan's name was formally changed to the Nordstrom 401(k) Plan & Profit Sharing. The Plan was previously known as the Nordstrom Profit Sharing and 401(k) Retirement Plan.

#### Plan Contributions-

**Profit Sharing Contributions-**The Company's Board of Directors establishes the Company profit sharing contribution, if any, each year. The Board of Directors has complete discretion in determining the amount of the profit sharing contribution. Profit sharing contributions are invested in participant-directed investments or defaulted into the Nordstrom Select Moderate Fund (the General Balanced Fund in 2004). The Company's contribution for each Plan year is allocated based on a weighting of years of service and eligible compensation among the actively employed participants who qualify for a profit sharing contribution. For Plan purposes, eligible compensation generally includes salary and wages paid for employee service, including bonuses and commissions and excludes reimbursements and expense allowances, employee awards, fringe and welfare benefits, moving expenses, severance and disability pay, contributions to a nonqualified deferred compensation program and amounts received as stock or under any stock-based compensation program, and is capped by limits set under the Internal Revenue Code (\$210 for the Plan Year ended December 31, 2005); participants should refer to the Plan document for specific details.

**Employee 401(k) Contributions-Non-Highly Compensated Employees (NHCEs)** may elect to defer 1% to 50% of eligible compensation on a pretax basis. The maximum elective salary deferral percentage for Highly Compensated Employees (HCEs) is 15%. Employees age 50 and over are allowed a catch-up contribution on a pre-tax basis. For all employees, the Internal Revenue Service (IRS) limits participant contributions to a maximum of \$14 in 2005.

**Company Matching Contributions-**The Company's matching contribution consists of a match of 100% of eligible participants' elective contributions up to 4% of the participants' eligible compensation.

**Investment Programs-**Participants are able to direct their accounts (including Company matching contributions) within any of the available funds, which are listed in the accompanying Schedule of Assets Held for Investment Purposes.

**Participation in Investment Activity-**Individual accounts are credited daily with a pro rata share of investment income (loss) experienced by the respective Plan funds into which their account balances have been directed.

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NORDSTROM 401(k) PLAN & PROFIT SHARING  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004  
(dollar amounts in thousands)

**Vesting in the Plan-** Employees who terminate employment due to retirement, death, or disability are 100% vested in their Plan accounts, regardless of years of service. For purposes of the Plan, "retirement" is defined as ending employment at age 60 or older. On termination of employment for reasons other than retirement, disability, or death, the amounts credited to the accounts of participants are vested as follows:

**Company Profit Sharing Contributions-**Participants are 100% vested in Company profit sharing contributions attributable to years of service on and after January 1, 2000. For contributions received prior to January 1, 2000, participants are vested 20% after completing three years of service and will be credited with an additional 20% vesting for each additional year of service (1,000 hours of service in a payroll calendar year) until 100% vested at seven years.

**Employee Contributions-**Employee contributions (i.e., salary deferral, catch-up and rollover contributions) are always 100% vested.

**Company Matching Contributions-**Company matching contributions for employees hired prior to January 1, 2000, are 100% vested. Company matching contributions for employees whose first hour of service with the Company occurred on or after January 1, 2000 vest as follows: 33% after completing one year of service and 67% after two years of years of service. After three years of service, all Company matching contributions are 100% vested.

**Forfeitures-**Forfeitures are used to offset future Company matching contributions and, to the extent any forfeitures remain, to offset future Company profit sharing contributions. During the years ended December 31,

2005 and 2004, employer contributions were offset by forfeitures of \$1,436, and \$2,357, respectively.

Benefits-On termination of service, a participant (or participant's beneficiary in the case of death) may elect to receive the value of the vested interest in his or her account as a lump-sum distribution or, if the vested account balance excluding the rollover account exceeds \$1, elect to remain in the plan. When an active participant reaches age 59 1/2 and continues to work for the Company, the participant is eligible to receive a partial or full distribution of his or her retirement benefits.

Payment of Benefits-Benefits are recorded when paid.

Participant Loans-Participants may borrow from their fund accounts a minimum of \$1 up to a maximum equal to the lesser of \$50 or 50% of their vested account balance. Loan terms are a maximum of 60 months or up to 20 years for the purchase of the principal residence of a participant. The loans are secured by the balance in the participant's account and bear fixed interest at rates commensurate with prevailing rates but not less than 1% over the then current prime rate as published by the Wall Street Journal. Interest rates for participant loans outstanding at December 31, 2005 range from 5.0% to 10.5% and are determined at the time the loan is approved. Principal and interest are paid semi-monthly through payroll deductions. Participants may pay monthly upon termination or leave of absence. Payment obligations are suspended for participants during periods of qualified military service. No more than two loans may be outstanding at any one time.

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NORDSTROM 401(k) PLAN & PROFIT SHARING  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004  
(dollar amounts in thousands)

Trustees and Administrator of the Plan-The asset trustees of the Plan are Mercer Trust Company (all assets except the Nordstrom Select Funds) and Mellon Bank, N.A. (Mellon) (Nordstrom Select Funds only). Wells Fargo Bank, N.A. (Wells Fargo), served as the Trustee and Custodian for the Plan's General Balanced Fund through March 31, 2005, at which time the Plan transitioned those services to Mellon. Coinciding with the transition of trustee services to Mellon, the name of the General Balanced Fund was changed to the Nordstrom Select Moderate Fund. Additionally, two new funds called the Nordstrom Select Conservative Fund and Nordstrom Select Growth Fund, were created. These funds invest in the same underlying assets as the Select Moderate Fund, but have different allocations to create varying risk/return profiles. Beginning on April 1, 2005, Mellon serves as the Trustee and Custodian for the Nordstrom Select Funds.

The Plan is administered by the Company in conjunction with the Retirement Committee, a committee appointed by the Company's Board of Directors comprised of the following individuals as of December 31, 2005: -  
~~Mary D. Amundson~~  
~~Divisional Vice President of Employee Benefits~~  
~~D. Wayne Gittinger~~  
~~Former Director of~~

~~the Company  
and  
Partner,  
Lane Powell  
PC (a law  
firm)  
Michael G.  
Koppel  
Executive  
Vice  
President  
and Chief  
Financial  
Officer  
Lynn (Len)  
A. Kuntz  
Executive  
Vice  
President,  
Northwest  
Regional  
Manager,  
Full-Line  
Stores  
Bruce A.  
Nordstrom  
Chairman of  
the Board  
of  
Directors  
Delena M.  
Sunday  
Executive  
Vice  
President,  
Human  
Resources  
and  
Diversity  
Affairs~~

Putnam Fiduciary Trust Company provided administrative services to the Plan for the year ended December 31, 2004 and through March 31, 2005. In 2005, Putnam's recordkeeping business was spun off to create Mercer Human Resource Consulting, LLC. Under that company, Mercer Human Resource Services provided administrative services and Mercer Trust Company served as asset trustee to the Plan (for all assets except the Nordstrom Select Funds) for the year ended December 31, 2005.

Termination of the Plan-The Company reserves the right to suspend, discontinue, or terminate the Plan at any time. The Company may determine whether a suspension or discontinuance will or will not constitute termination of the Plan.

In the event the Plan is terminated, the respective accounts of the participants under the Plan shall become fully vested and nonforfeitable. After payment of expenses properly chargeable against the Plan, the trustees shall distribute all Plan assets to the participants in the proportions determined by their respective accounts.

Tax Status-The IRS has determined and informed the Company by a letter dated October 4, 2004, that the Plan is designed in conformity with the applicable requirements of the Internal Revenue Code.

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NORDSTROM 401(k) PLAN & PROFIT SHARING  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004  
(dollar amounts in thousands)

In a prior year, the Company identified some minor administrative issues with respect to the Plan and has worked to correct such issues through one of the IRS's voluntary correction programs. The IRS accepted the Company's proposed correction in August of 2004. The IRS approved corrections were completed in January of 2005 and the issue is now resolved.

Basis of Accounting-The accompanying financial statements have been prepared

on the accrual basis of accounting.

Other Assets-Prior to 1993, after five years in the Plan, participants were allowed to purchase life insurance with up to 25% of their annual contributions. This option was terminated in May 1992; however, the Plan still holds previously purchased life insurance for participants. This amount represents the cash surrender value of the New England Life Insurance policy.

Investment Income-Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net unrealized and realized investment gains and losses are calculated based upon the fair value at the beginning of the year of investments held at that date and the cost of investments purchased during the year.

Benefits Payable-Benefits payable to participants who have withdrawn from participation in the Plan as of December 31, 2005 and 2004, were \$162 and \$566, respectively.

## 2. INVESTMENTS

The Plan's investments are held by the trustees and are recorded at fair value based on quoted market prices at December 31, 2005 and 2004, except for the Putnam Stable Value Fund, which is a fully benefit responsive guaranteed investment contract fund and is recorded at contract value, which approximates fair value. The following table presents the value of investments that represent 5% or more of the Plan's net assets recorded at December 31:

2005 2004

-----  
-----

Investments

at fair  
value:

Nordstrom

Select

Moderate

Fund

\$428,711 \*

General

Balanced

Fund \*

\$418,901

Nordstrom,

Inc.

common

stock

222,041

135,777

EuroPacific

Growth

Fund

143,031

112,167

George

Putnam

Fund of

Boston

117,866

110,676

Dodge &

Cox Stock

Fund

92,349 \*\*

Putnam

Fund for

Growth and

Income \*\*

84,635

Bank of

New York

Small Cap

Growth \*\*\*

77,644

Investment

at

contract

value:

Putnam

Stable

Value Fund

95,797

90,390

NORDSTROM 401(k) PLAN & PROFIT SHARING  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2005 AND 2004  
(dollar amounts in thousands)

- \* Coinciding with the transition of trustee services to Mellon on April 1, 2005, the name of the General Balanced Fund was changed to the Nordstrom Select Moderate Fund.
- \*\* Fund was not part of the Plan's investment portfolio.
- \*\*\* Fund balance does not exceed 5% of Plan net assets.

During 2005 and 2004, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated/(depreciated) in value as follows:

| 2005                         | 2004                 |
|------------------------------|----------------------|
| -----                        |                      |
| <del>Investments</del>       |                      |
| <del>Common stock \$</del>   |                      |
| <del>82,853</del>            | <del>\$ 36,741</del> |
| <del>Mutual</del>            |                      |
| <del>funds/Proprietary</del> |                      |
| <del>plan fund</del>         | <del>59,269</del>    |
|                              | <del>71,373</del>    |
| <del>Common/collective</del> |                      |
| <del>trust</del>             |                      |
| <del>89</del>                | <del>4,371</del>     |
| <del>Brokerage assets</del>  |                      |
| <del>(244)</del>             | <del>578</del>       |
| -----                        |                      |
|                              | \$141,967            |
|                              | \$113,063            |
| =====                        |                      |
| =====                        |                      |

The Putnam Stable Value Fund is a fully benefit responsive, guaranteed investment contract fund. The contract is included in these financial statements at contract value, which approximates fair value, as reported to the Plan by Mercer Trust Company. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The average yield was approximately 4.7% for 2005 and 4.5% for 2004. The weighted average crediting interest rate was approximately 4.7% at December 31, 2005 and 4.5% at December 31, 2004.

3. RELATED PARTY TRANSACTIONS

Wells Fargo Bank was trustee of the Plan's General Balanced Fund through March 31, 2005. Mellon Bank, N.A. has been trustee of the Nordstrom Select Funds since April 1, 2005. Putnam Fiduciary Trust Company was trustee of all assets of the Plan other than the General Balanced Trust Fund from January 2004 to December 2004. Effective January 1, 2005, Putnam Fiduciary Trust Company changed its name to Mercer Trust Company and has been trustee of all assets of the Plan other than the Nordstrom Select Funds since that date. Accordingly, Mercer Trust Company, Wells Fargo Bank, and Putnam Fiduciary Trust Company are each a party-in-interest with respect to the Plan. The Plan has invested in investment funds managed by Wells Fargo Bank and by affiliates of Mercer Trust Company and Putnam Fiduciary Trust Company during 2005 and 2004. Transactions in these investments qualify as exempt party-in-interest transactions because an independent fiduciary causes the Plan to make these investment decisions. Fees paid by the Plan to Wells Fargo Bank, Mellon Bank, Mercer Trust Company, and Putnam Fiduciary Trust Company amounted to \$166, \$102, \$591, and \$204, respectively, for 2005. Fees paid by the Plan to Wells Fargo Bank and Putnam Fiduciary Trust Company amounted to \$253 and \$732, respectively, for 2004.

As the Plan sponsor, the Company is a party-in-interest with respect to the Plan. The Company's employer contributions to the plan qualify as party-in-interest transactions. These transactions are exempt party-in-interest transactions because a fiduciary does not cause the Plan to participate in the transactions. In addition, miscellaneous reimbursement of direct expenses paid by the Plan

to the Company for Plan operations and administration amounted to \$26 and \$72 for 2005 and 2004, respectively.

4. EXCESS CONTRIBUTIONS PAYABLE TO PARTICIPANTS

The Plan is subject to certain compliance requirements of non-discrimination

rules under ERISA and IRS guidelines. For the Plan year ended December 31, 2005, the Plan failed certain of these non-discrimination tests due to lower levels of contribution participation by non-highly compensated eligible Plan participants. In order to meet the compliance requirements, in March 2006, the Plan refunded a portion of the 2005 contributions made by highly compensated participants. The refund totaled \$761 and is recorded as "Excess contributions payable to participants" in the December 31, 2005 Statement of Net Assets Available for Benefits. The refund is included in "Benefit payments to participants" on the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2005. The refund amount includes approximately \$117 of investment earnings.

5. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the amounts reflected in the Form 5500 as filed by the Company with the Employee Benefits Security Administration as of December 31:  
 2005 2004 ---  
 -----

|                          |  |
|--------------------------|--|
| ----- Net                |  |
| assets                   |  |
| available for            |  |
| <del>benefits per</del>  |  |
| <del>the financial</del> |  |
| <del>statements</del>    |  |
| \$1,529,151              |  |
| \$1,325,280              |  |
| Trustee and              |  |
| administrative           |  |
| fees payable             |  |
| 463 602                  |  |
| Certain                  |  |
| deemed                   |  |
| distributions            |  |
| of                       |  |
| participant              |  |
| loans (595)              |  |
| -----                    |  |
| Net                      |  |
| assets                   |  |
| available for            |  |
| <del>benefits per</del>  |  |
| <del>Form 5500</del>     |  |
| \$1,529,614              |  |
| \$1,325,287              |  |
| =====                    |  |
| =====                    |  |

NORDSTROM 401(k)  
 PLAN & PROFIT  
 SHARING SCHEDULE  
 OF ASSETS HELD  
 FOR INVESTMENT  
 PURPOSES  
 DECEMBER 31,  
 2005 (dollar  
 amounts in  
 thousands)  
~~Identity of~~  
~~issue,~~  
~~Description of~~  
~~investment~~  
 Current



~~borrower, lesser  
including  
maturity date,  
Value or similar  
party rate of  
interest,  
collateral, par,  
or maturity  
value~~

~~\_\_\_\_\_\*~~

~~Party in-  
interest \*  
Nordstrom, Inc.  
Nordstrom Stock  
Fund Common  
stock \$ 222,041  
American Funds  
American Funds  
Europacific  
Growth Mutual  
fund 143,031 \*  
Putnam  
Investments  
George Putnam  
Fund Mutual fund  
117,866 \* Putnam  
Investments  
Putnam Stable  
Value Fund  
Common/collective  
Trust 95,797  
Dodge & Cox  
Dodge & Cox  
Stock Fund  
Mutual fund  
92,349 Neuberger  
& Berman Small  
Cap NBF Genesis  
Mutual fund  
75,407 The Bank  
of New York BONY  
Hamilton Small  
Cap Growth  
Mutual fund  
74,782 Vanguard  
Vanguard  
Institutional  
Index Fund  
Mutual fund  
54,912 Allianz  
Global Investors  
PIMCO RCM Large  
Cap Growth Fund  
Mutual fund  
44,479 PIMCO  
PIMCO Total  
Return Fund  
Mutual fund  
38,688 Self-  
directed  
brokerage  
Brokerage  
Securities  
Brokerage assets  
8,312 \* Putnam  
Investments SDB  
Money Market  
Fund Money  
Market 1,320 \*  
Putnam  
Investments  
Pending cash  
account 40 \*  
Participant  
Loans 57,163  
Nordstrom Select  
Funds (Including~~

~~Nordstrom Select  
Conservative,  
Nordstrom Select  
Moderate, and  
Nordstrom Select  
Growth Funds)  
PIMCO PIMCO  
Total Return  
Fund Mutual fund  
81,877 Dodge &  
Cox Dodge & Cox  
Income Fund  
Mutual fund  
81,812 Dodge &  
Cox Dodge & Cox  
Stock Fund  
Mutual fund  
44,703 Frank  
Russell Frank  
Russell Equity  
II Fund Mutual  
fund 22,111  
Neuberger &  
Berman Neuberger  
Berman Genesis  
Institutional  
Mutual fund  
11,245 Capital  
Guardian Capital  
Guardian  
Common/collective  
International  
trust 72,228  
Capital Guardian  
Capital Guardian  
Common/collective  
US Equity trust  
65,391 The  
Boston Company  
Pooled Employee  
Daily  
Common/collective  
Liquidity Fund  
trust 1,789 11  
A C Moore Arts  
& A C Moore Arts  
& Crafts, Inc.  
Crafts, Inc.  
Common stock 182  
Abbott Labs  
Abbott Labs  
Common stock 446  
Acuity Brands,  
Inc. Acuity  
Brands, Inc.  
Common stock 24  
Aetna, Inc.  
Aetna, Inc.  
Common stock 820  
AFLAC, Inc.  
AFLAC, Inc.  
Common stock 529  
Airgas, Inc.  
Airgas, Inc.  
Common stock 71  
American  
Healthways, Inc.  
American  
Healthways, Inc.  
Common stock 158  
American  
International  
American  
International  
Group, Inc.  
Group, Inc.  
Common stock 962  
American Medical  
American Medical  
Systems  
Holdings, Inc.~~

Systems  
Holdings, Inc.  
Common stock 86  
Amylin Amylin  
Pharmaceuticals,  
Inc.  
Pharmaceuticals,  
Inc. Common  
stock 78  
Anntaylor Stores  
Corp. Anntaylor  
Stores Corp.  
Common stock 145  
Apple Computer,  
Inc. Apple  
Computer, Inc.  
Common stock 965  
Atwood Oceanic,  
Inc. Atwood  
Oceanic, Inc.  
Common stock 70  
Autodesk, Inc.  
Autodesk, Inc.  
Common stock 466  
Avaya, Inc.  
Avaya, Inc.  
Common stock 525  
Baker Hughes,  
Inc. Baker  
Hughes, Inc.  
Common stock 868  
BE Aerospace,  
Inc. BE  
Aerospace, Inc.  
Common stock 60  
Blue Coat  
Systems, Inc.  
Blue Coat  
Systems, Inc.  
Common stock 93  
Boeing Co.  
Boeing Co.  
Common stock 723  
Boston Private  
Boston Private  
Financial  
Holdings, Inc.  
Financial  
Holdings, Inc.  
Common stock 61  
Cabot  
Microelectronics  
Cabot Corp.  
Microelectronics  
Corp. Common  
stock 47  
Canadian Natural  
Canadian Natural  
Resources, LTD  
Resources, LTD  
Common stock 718  
Carnival  
Corporation  
Carnival  
Corporation  
Common stock 630  
Centene  
Corporation  
Centene  
Corporation  
Common stock 95  
Central Garden &  
Central Garden &  
Pet Company Pet  
Company Common  
stock 117  
Charles River  
Laboratories  
Charles River  
Laboratories  
International,

~~Ine.  
International,  
Inc. Common  
stock 199  
Citigroup, Inc.  
Citigroup, Inc.  
Common stock  
1,241 Coach,  
Inc. Coach, Inc.  
Common stock 547  
Cogent, Inc.  
Cogent, Inc.  
Common stock 82  
Cognizant Tech  
Solutions  
Cognizant Tech  
Solutions Common  
stock 481  
Coherent, Inc.  
Coherent, Inc.  
Common stock 86  
Commercial  
Capital  
Commercial  
Capital Bancorp,  
Inc. Bancorp,  
Inc. Common  
stock 40  
Community Banks,  
Inc. Community  
Banks, Inc.  
Common stock 25  
Connetics Corp.  
Connetics Corp.  
Common stock 85  
Core  
Laboratories N V  
Core  
Laboratories N V  
Common stock 97  
Corning, Inc.  
Corning, Inc.  
Common stock 407  
Corrections  
Corporation  
Corrections  
Corporation of  
America of  
America Common  
stock 22 Costar  
Group, Inc.  
Costar Group,  
Inc. Common  
stock 190 CRA  
International,  
Inc. CRA  
International,  
Inc. Common  
stock 99 Cubist  
Pharmaceuticals,  
Cubist  
Pharmaceuticals,  
Inc. Inc. Common  
stock 40  
Daktronics, Inc.  
Daktronics, Inc.  
Common stock 68  
Dick's Sporting  
Dick's Sporting  
Goods, Inc.  
Goods, Inc.  
Common stock 229  
—12— Digirad  
Corp. Digirad  
Corp. Common  
stock 17 Dime  
Community Dime  
Community  
Bancshares, Inc.  
Bancshares, Inc.  
Common stock 18~~

Discovery  
Discovery  
Laboratories,  
Inc.  
Laboratories,  
Inc. Common  
stock 94 Dycem  
Industries, Inc.  
Dycem  
Industries, Inc.  
Common stock 23  
EBAY, Inc. EBAY,  
Inc. Common  
stock 528  
Educate, Inc.  
Educate, Inc.  
Common stock 16  
Education Mgmt  
Corp. Education  
Mgmt Corp.  
Common stock 121  
EMC Corporation  
EMC Corporation  
Common stock 599  
Entegris, Inc.  
Entegris, Inc.  
Common stock 62  
F5 Network, Inc.  
F5 Network, Inc.  
Common stock 100  
Filnet Corp.  
Filnet Corp.  
Common stock 75  
Flanders Corp.  
Flanders Corp.  
Common stock 22  
Flushing  
Financial Corp.  
Flushing  
Financial Corp.  
Common stock 42  
Formfactor, Inc.  
Formfactor, Inc.  
Common stock 61  
Forrester  
Research, Inc.  
Forrester  
Research, Inc.  
Common stock 45  
Forward Air  
Corp. Forward  
Air Corp. Common  
stock 27 Fossil,  
Inc. Fossil,  
Inc. Common  
stock 99  
Franklin  
Resources, Inc.  
Franklin  
Resources, Inc.  
Common stock  
1,363 Gaylord  
Entertainment  
Gaylord Company  
Entertainment  
Company Common  
stock 109  
Genentech, Inc.  
Genentech, Inc.  
Common stock 583  
General Electric  
Company General  
Electric Company  
Common stock  
1,815 Genworth  
Financial, Inc.  
Genworth  
Financial, Inc.  
Common stock 588  
Gilead Sciences,  
Inc. Gilead

~~Sciences, Inc.  
Common stock 711  
Google, Inc.  
Google, Inc.  
Common stock  
1,091 Grey Wolf,  
Inc. Grey Wolf,  
Inc. Common  
stock 82  
Halliburton Co.  
Halliburton Co.  
Common stock 649  
Health Net, Inc.  
Health Net, Inc.  
Common stock 478  
Hercules  
Offshore, Inc.  
Hercules  
Offshore, Inc.  
Common stock 13  
Hewlett Packard  
Co. Hewlett  
Packard Co.  
Common stock  
1,033 Hexcel  
Corp. Hexcel  
Corp. Common  
stock 42 Hot  
Topic, Inc. Hot  
Topic, Inc.  
Common stock 178  
IDEXX Labs, Inc.  
IDEXX Labs, Inc.  
Common stock 66  
IMMUCOR, Inc.  
IMMUCOR, Inc.  
Common stock 72  
IVAX Corp. IVAX  
Corp. Common  
stock 515 IXIA  
IXIA Common  
stock 101 J2  
Global J2 Global  
Common stock 122  
JC Penny Co.,  
Inc. JC Penny  
Co., Inc. Common  
stock 645  
Johnson &  
Johnson Johnson  
& Johnson Common  
stock 580 KFX,  
Inc. KFX, Inc.  
Common stock 87  
Kronos, Inc.  
Kronos, Inc.  
Common stock 119  
LEGC Corp. LEGC  
Corp. Common  
stock 22  
Manhattan  
Assoes, Inc.  
Manhattan  
Assoes, Inc.  
Common stock 51  
— 13 —  
Marinemax, Inc.  
Marinemax, Inc.  
Common stock 32  
Marriott  
Marriott  
International,  
Inc.  
International,  
Inc. Common  
stock 630 Martex  
Biosciences  
Corp. Martex  
Biosciences  
Corp. Common  
stock 123~~

Marvell  
Technology  
Marvell  
Technology Group  
LTD Group LTD  
Common stock 830  
Medtronic, Inc.  
Medtronic, Inc.  
Common stock  
1,157 Merit Med  
Sys, Inc. Merit  
Med Sys, Inc.  
Common stock 124  
Merrill Lynch &  
Co., Inc.  
Merrill Lynch &  
Co., Inc. Common  
stock 1,016  
Microsoft Corp.  
Microsoft Corp.  
Common stock 981  
Motorola, Inc.  
Motorola, Inc.  
Common stock 992  
M-System Flash  
M-System Flash  
Disk Pioneer  
Disk Pioneer  
Common stock 40  
National  
Financial  
National  
Financial  
Partners Corp.  
Partners Corp.  
Common stock 164  
Nektar  
Therapeutics  
Nektar  
Therapeutics  
Common stock 54  
Netgear, Inc.  
Netgear, Inc.  
Common stock 124  
Neurocrine  
Neurocrine  
Biosciences,  
Inc.  
Biosciences,  
Inc. Common  
stock 80 Nike,  
Inc. Nike, Inc.  
Common stock 712  
Noble Corp.  
Noble Corp.  
Common stock 432  
Novartis AG  
Novartis AG  
Common stock 660  
Nuvasive, Inc.  
Nuvasive, Inc.  
Common stock 82  
O2Micro  
International  
LTD O2Micro  
International  
LTD Common stock  
83 Oceaneering  
Oceaneering  
International,  
Inc.  
International,  
Inc. Common  
stock 114 Oracle  
Corporation  
Oracle  
Corporation  
Common stock 440  
Oxford  
Industries, Inc.  
Oxford

~~Industries, Inc.  
Common stock 98~~  
~~Palm, Inc. Palm,  
Inc. Common  
stock 32~~  
~~Pepsico, Inc.  
Pepsico, Inc.  
Common stock  
1,176~~  
~~Performance Food  
Group~~  
~~Performance Food  
Group Common  
stock 143~~  
~~Petco  
Animal Supplies  
Petco Animal  
Supplies Common  
stock 206~~  
~~PF  
Chang's PF  
Chang's China  
Bistro, Inc.  
China Bistro,  
Inc. Common  
stock 57~~  
~~PFF  
BanCorp, Inc.  
PFF BanCorp,  
Inc. Common  
stock 37~~  
~~Pfizer,  
Inc. Pfizer,  
Inc. Common  
stock 690~~  
~~Phase  
Forward, Inc.  
Phase Forward,  
Inc. Common  
stock 30~~  
~~Piper  
Jaffray  
Companies Piper  
Jaffray  
Companies Common  
stock 20~~  
~~Pixar  
Pixar Common  
stock 445~~  
~~Plexus  
Corp. Plexus  
Corp. Common  
stock 111~~  
~~Prestige Brands  
Prestige Brands  
Holdings, Inc.  
Holdings, Inc.  
Common stock 198~~  
~~Princeton  
Review, Inc.  
Princeton  
Review, Inc.  
Common stock 17~~  
~~Proassurance  
Corporation  
Proassurance  
Corporation  
Common stock 165~~  
~~Proctor & Gamble  
Co. Proctor &  
Gamble Co.  
Common stock  
1,335~~  
~~PSS World  
Med, Inc. PSS  
World Med, Inc.  
Common stock 72~~  
~~Respironics,  
Inc.  
Respironics,  
Inc. Common  
stock 174~~  
~~RF  
Micro Devices,  
Inc. RF Micro  
Devices, Inc.  
Common stock 56~~  
~~RSA Security,  
Inc. RSA  
Security, Inc.  
Common stock 94~~



~~Sandisk Corp.  
Sandisk Corp.  
Common stock 825  
—14— Sapien  
Corp. Sapien  
Corp. Common  
stock 97  
Scholastic Corp.  
Scholastic Corp.  
Common stock 115  
SCP Pool Corp.  
SCP Pool Corp.  
Common stock 104  
Semtech Corp.  
Semtech Corp.  
Common stock 95  
Shamir Optical  
Shamir Optical  
Industry, Ltd  
Industry, Ltd  
Common stock 20  
Shaw Group, Inc.  
Shaw Group, Inc.  
Common stock 96  
Shire PLC Shire  
PLC Common stock  
433 Superior  
Energy Superior  
Energy Services,  
Inc. Services,  
Inc. Common  
stock 133 Sybron  
Dental Sybron  
Dental  
Specialties,  
Inc.  
Specialties,  
Inc. Common  
stock 205  
Symmetry  
Medical, Inc.  
Symmetry  
Medical, Inc.  
Common stock 66  
Target Corp.  
Target Corp.  
Common stock 440  
Tereica, Inc.  
Tereica, Inc.  
Common stock 90  
Tessera  
Technologies,  
Inc. Tessera  
Technologies,  
Inc. Common  
stock 131 Teva  
Pharmaceutical  
Teva  
Pharmaceutical  
Industries LTD  
Industries LTD  
Common stock 362  
Texas  
Instruments,  
Inc. Texas  
Instruments,  
Inc. Common  
stock 208 The  
South Financial  
The South  
Financial Group,  
Inc. Group, Inc.  
Common stock 11  
Tibco Software,  
Inc. Tibco  
Software, Inc.  
Common stock 104  
Todeo Todeo  
Common stock 61  
Trimble  
Navigation Ltd~~

Trimble  
Navigation Ltd  
Common stock 135  
UCBH Holdings,  
Inc. UCBH  
Holdings, Inc.  
Common stock 217  
United Health  
Group, Inc.  
United Health  
Group, Inc.  
Common stock 910  
United National,  
Inc. United  
National, Inc.  
Common stock 95  
United Surgical  
Partners United  
Surgical  
Partners  
International,  
Inc.  
International,  
Inc. Common  
stock 124 United  
Technologies  
Corp. United  
Technologies  
Corp. Common  
stock 1,025  
Univision  
Univision Common  
stock 431 Unova,  
Inc. Unova, Inc.  
Common stock 29  
US BanCorp US  
BanCorp Common  
stock 569 UTi  
Worldwide, Inc.  
UTi Worldwide,  
Inc. Common  
stock 188 Valero  
Energy Corp.  
Valero Energy  
Corp. Common  
stock 439 VCA  
Antech, Inc. VCA  
Antech, Inc.  
Common stock 255  
Vistcare, Inc.  
Vistcare, Inc.  
Common stock 61  
Walgreen Co  
Walgreen Co  
Common stock 664  
Waste  
Connections,  
Inc. Waste  
Connections,  
Inc. Common  
stock 52  
Weatherford  
Weatherford  
International,  
LTD  
International,  
LTD Common stock  
598 Westamerica  
Westamerica  
BanCorporation  
BanCorporation  
Common stock 21  
Wilmington TR  
Corp. Wilmington  
TR Corp. Common  
stock 21 Wm.  
Wrigley Jr.  
Company Wm.  
Wrigley Jr.  
Company Common  
stock 434

~~Wolverine World  
Wide, Inc.  
Wolverine World  
Wide, Inc.  
Common stock 137  
Wright Medical  
Group, Inc.  
Wright Medical  
Group, Inc.  
Common stock 146  
Wyeth Wyeth  
Common stock 888  
XTO Energy, Inc.  
XTO Energy, Inc.  
Common stock 874  
Yahoo, Inc.  
Yahoo, Inc.  
Common stock 765  
— 15 — Zimmer  
Holdings, Inc.  
Zimmer Holdings,  
Inc. Common  
stock 452 Zions  
BanCorp Zions  
BanCorp Common  
stock 931 Zoran  
Corp. Zoran  
Corp. Common  
stock 125~~