FORWARD-LOOKING STATEMENTS

This presentation contains statements that are forward looking. These statements are based upon current expectations and assumptions that are subject to risks and uncertainties. We may not achieve the results projected in these forward-looking statements, and our actual results could materially differ because of factors discussed in this conference call, in the comments made during this presentation, and in the risk factors section of our Form 10-K, Form 10-Qs, and other reports and filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement to reflect subsequent events, new information or future circumstances.
BLAKE NORDSTROM
CO-PRESIDENT, NORDSTROM, INC.
COMP SALES TRENDS
Q4 CONSISTENT WITH RECENT TRENDS

ADJUSTED TO EXCLUDE IMPACT OF ANNIVERSARY EVENT SHIFT

Q3  Q4  Q1  Q2  Q3  Q4
0.9% 1.0% (1.7%) (1.2%) 2.4% (0.9%)

FY 16
(0.4%)
INVENTORY EXECUTION

SALES GROWTH OUTPACED INVENTORY GROWTH

Q2 and Q3 2016 combined to remove impact of the Anniversary Sale event shift

NORDSTROM
COMP SALES PERFORMANCE
CONSISTENT TRENDS

NORDSTROM
NORDSTROM.COM
TRUNK CLUB

0.3% 0.2% 0.9%
Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16

(4.3%) (2.3%) (2.7%)

ADJUSTED TO EXCLUDE IMPACT OF ANNIVERSARY EVENT SHIFT

FY 16 (2.2%)

Nordstrom includes U.S. and Canada full-line stores
Full-price peers: ANF, CHS, DDS, GPS, LB, M, HBC, SAKS, TIF, URBN
Off-price peers: BURL, DSW, ROST, SAKS OFF FIFTH/GILT, SMRT, TJX

rack
rack.COM
HAUTELOOK

2.4% 3.6% 4.6% 5.3% 3.9% 4.3%
Q3 15 Q4 15 Q1 16 Q2 16 Q3 16 Q4 16

FY 16 4.5%
IMPROVE CUSTOMER EXPERIENCE
DIFFERENTIATED AND SEAMLESS SHOPPING JOURNEY

BUY ONLINE
PICK UP IN STORE

TEXT TO BUY
CURBSIDE PICKUP

E-GIFTING
RESERVE & TRY IN STORE

SHOP MY STORE
VISUAL SEARCH
SCAN & SHOP

2012
2016
2017

DIFFERENTIATED PRODUCT

POPPIN@NORDSTROM
Madewell
J.CREW

Charlotte Tilbury
NORDSTROM SPACE
GOOD AMERICAN
* Total net proceeds of $1.8B, of which $1.3B was attributable to the sale of credit cards receivables originated at Nordstrom
See appendix for reconciliation of non-GAAP measures
Q4 EBIT PERFORMANCE
STRONG INVENTORY EXECUTION

Q4 2015
Q4 2016

$324M
$424M

Non-operational items represent impairment charges $50M in 2015; non-operational gain $22M in 2016

NORDSTROM
## Executing Growth

Record sales of $14.5B in 2016

<table>
<thead>
<tr>
<th>NORDSTROM</th>
<th>NORDSTROM.COM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FULL-PRICE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$10.0B SALES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CONTINUED EXPANSION INTO CANADA</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$300M TOTAL SALES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>25% OF FULL-PRICE SALES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>NORDSTROM REWARDS CUSTOMERS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$2.5B SALES</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>NORDSTROM RACK</th>
<th>NORDSTROMRACK.COM + HAUTELOOK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFF-PRICE</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$4.5B SALES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>8% TOTAL SALES GROWTH</strong></td>
<td></td>
</tr>
<tr>
<td><strong>LARGEST SOURCE OF NEW CUSTOMERS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>$700M SALES</strong></td>
<td></td>
</tr>
<tr>
<td><strong>32% SALES GROWTH</strong></td>
<td></td>
</tr>
</tbody>
</table>
SUSTAINABLE GROWTH
NET SALES INCREASED ~55% SINCE 2010

CAGR ~8%

23% ONLINE PENETRATION

$9.3B $14.5B

~20% ~30% OF SALES

~80% ~70% OF SALES

2010 2016

Nordstrom includes full-line stores (U.S. and Canada), Nordstrom.com, Trunk Club; Nordstrom Rack includes Rack stores and Nordstromrack.com/HauteLook
Online penetration includes Nordstrom.com, Nordstromrack.com/HauteLook, and Trunk Club
EVOLVING BUSINESS MODEL
ACCELERATED E-COMMERCE AND MARKET GROWTH

2010  CORE BUSINESS  ENTERPRISE CAPABILITIES  NEW MARKETS  2016

RETAIL EBIT MARGIN 11.5%

ACCELERATED E-COMMERCE

EXPENSE GROWTH

<table>
<thead>
<tr>
<th>2010-2015 CAGR</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CORE BUSINESS &amp; NEW MARKETS</td>
<td>6%</td>
</tr>
<tr>
<td>ENTERPRISE CAPABILITIES</td>
<td>20%</td>
</tr>
<tr>
<td>TOTAL SG&amp;A</td>
<td>9%</td>
</tr>
</tbody>
</table>

HAUTELOOK
NORDSTROM
TRUNK CLUB

Trunk Club impairment* (1.3%)

RETAIL EBIT MARGIN 4.9%

Represents goodwill impairment of $197M related to Trunk Club in Q3 2016

NORDSTROM
GROWTH INVESTMENTS
EXPECT IMPROVED OPERATING PERFORMANCE FROM GAINING SCALE

SALES
$0.3B  $0.4B  $0.9B  $1.2B  ~$1.4B

EBIT
2013  2014  2015  2016  2017E
(~$40M) (~$75M) (~$140M) (~$130M) (~$85M)

NORDSTROM
MANHATTAN PRE-OPENING

HAUTELOOK rack.com
NORDSTROM TRUNK CLUB
CAPITAL INVESTMENTS
ALIGNED WITH EVOLVING CUSTOMER EXPECTATIONS

Net capex reflects gross capex net of deferred property incentives

NORDSTROM
<table>
<thead>
<tr>
<th>2017 OUTLOOK</th>
<th>ASSUMPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL SALES</td>
<td>3% TO 4% Includes estimated 53rd week impact of ~$200M Expect no significant event shift on a quarterly basis vs. LY</td>
</tr>
<tr>
<td>COMP SALES</td>
<td>~ FLAT Consistent trends with 2016</td>
</tr>
<tr>
<td>RETAIL EBIT</td>
<td>$780M TO $840M</td>
</tr>
<tr>
<td>CREDIT EBIT</td>
<td>~$135M Increase vs. 2016 partially due to lower amortization expense related to sale of credit card portfolio</td>
</tr>
<tr>
<td>EPS</td>
<td>$2.75 TO $3.00 Effective tax rate 39% Share count of ~174M (does not include future share repurchases)</td>
</tr>
</tbody>
</table>
Q&A
**FY 2016 OVERVIEW**

**EVOLVING WITH CHANGING CUSTOMER EXPECTATIONS**

### BUSINESS UPDATE

#### EXECUTING GROWTH

<table>
<thead>
<tr>
<th>NORDSTROM</th>
<th>NORDSTROM.COM</th>
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<tbody>
<tr>
<td><strong>Continued Expansion into Canada</strong></td>
<td><strong>$2.5B Sales</strong></td>
</tr>
<tr>
<td><strong>$300M Total Sales</strong></td>
<td><strong>25% of Full-price Sales</strong></td>
</tr>
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</table>

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<tr>
<th>NORDSTROM RACK</th>
<th>NORDSTROMRACK.COM + HAUTELOOK</th>
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<tbody>
<tr>
<td><strong>8% Total Sales Growth</strong></td>
<td><strong>$700M Sales</strong></td>
</tr>
<tr>
<td><strong>Largest Source of New Customers</strong></td>
<td><strong>32% Sales Growth</strong></td>
</tr>
</tbody>
</table>

#### SUSTAINABLE TOP-LINE GROWTH

- **CAGR -8%**
- **$9.3B** (2016)
- **$14.5B** (2016)
- **~30% of Sales**
- **~70% of Sales**

### GOING FORWARD

#### DIFFERENTIATED AND SEAMLESS EXPERIENCE

- **Text to Buy**
- **Curbside Pickup**
- **Reserve & Try in Store**
- **Visual Search**
- **Scan & Shop**

#### INVESTMENTS ALIGNED WITH CUSTOMER EXPECTATIONS

- **$3.4B (2017 – 2021E)**
- **~4% of Sales**
- **Canada & Manhattan**
  - **$0.7B | 20%**
- **Technology & Fulfillment**
  - **$1.4B | 40%**
- **New Stores & Relocations**
  - **$0.4B | 15%**
- **Remodels & Maintenance**
  - **$0.9B | 25%**
NORDSTROM BUSINESS OVERVIEW

- Leading U.S. fashion specialty retailer with a growing presence in Canada
- Record ~$14.5B in annual revenue with 6.2% CAGR since 2000
- Diverse network of 349 stores in attractive markets
- Innovative omni-channel platform with over 20% online penetration
- 115-year legacy of delivering exceptional customer service
- Broad and diverse mix of top brand names and private label merchandise
- 7.8 million active Nordstrom Rewards loyalty program members

SERVING CUSTOMERS WHEREVER THEY SHOP

- 123 Full-line Stores
- 215 Rack Stores
- Nordstrom.com
- Nordstromrack.com
- HauteLook
- Trunk Club, 7 Clubhouses
- 2 Jeffrey Boutiques

2016 SALES BY CHANNEL

<table>
<thead>
<tr>
<th>STORES</th>
<th>NORDSTROM</th>
<th>NORDSTROM.com</th>
<th>TRUNK CLUB</th>
</tr>
</thead>
<tbody>
<tr>
<td>FULL-PRICE</td>
<td>51%</td>
<td>~$14.5B</td>
<td>18%</td>
</tr>
<tr>
<td>OFF-PRICE</td>
<td>26%</td>
<td>18%</td>
<td>5%</td>
</tr>
</tbody>
</table>

SALES BY CATEGORY

- Shoes
- Women's Apparel
- Men's Apparel
- Accessories
- Cosmetics
- Kids' Apparel
- Other

Nordstrom includes U.S. and Canada full-line stores
2016 sales by channel percentages are based on total retail segment sales

Store count as of end of Q4 2016, Jan 28, 2017
NORDSTROM
NORDSTROM, INC.
FREE CASH FLOW (NON-GAAP FINANCIAL MEASURE)
(unaudited; amounts in millions)

We use various financial measures in our conference calls, investor meetings and other forums which may be considered non-GAAP financial measures within the meaning of Regulation G of the Securities and Exchange Commission. The following disclosure provides additional information regarding our Free Cash Flow for the years ended January 28, 2017, January 30, 2016, January 31, 2015, February 1, 2014, February 2, 2013 and January 28, 2012.

Free Cash Flow is one of our key liquidity measures, and when used in conjunction with GAAP measures, provides investors with a meaningful analysis of our ability to generate cash from our business. Free Cash Flow is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, operating cash flows or other financial measures prepared in accordance with GAAP. Our method of determining non-GAAP financial measures may differ from other companies’ methods and therefore may not be comparable to those used by other companies. The financial measure calculated under GAAP which is most directly comparable to Free Cash Flow is net cash provided by operating activities. The following is a reconciliation of net cash provided by operating activities to Free Cash Flow:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,648</td>
<td>$2,451</td>
<td>$1,220</td>
<td>$1,320</td>
<td>$1,110</td>
<td>$1,177</td>
</tr>
<tr>
<td>Less: capital expenditures</td>
<td>(846)</td>
<td>(1,082)</td>
<td>(861)</td>
<td>(803)</td>
<td>(513)</td>
<td>(511)</td>
</tr>
<tr>
<td>Less: cash dividends paid</td>
<td>(256)</td>
<td>(1,185)</td>
<td>(251)</td>
<td>(234)</td>
<td>(220)</td>
<td>(197)</td>
</tr>
<tr>
<td>Add: proceeds from sale of credit card receivables originated at third parties</td>
<td>—</td>
<td>890</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Add (Less): change in credit card receivables originated at third parties</td>
<td>—</td>
<td>34</td>
<td>(8)</td>
<td>(6)</td>
<td>(42)</td>
<td>(7)</td>
</tr>
<tr>
<td>Add (Less): change in cash book overdrafts</td>
<td>4</td>
<td>23</td>
<td>(4)</td>
<td>47</td>
<td>5</td>
<td>(30)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$550</td>
<td>$1,131</td>
<td>$96</td>
<td>$324</td>
<td>$340</td>
<td>$432</td>
</tr>
</tbody>
</table>