UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended July 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ___________ to___________

Commission File Number: 001-15059

NORDSTROM, INC.

(Exact name of registrant as specified in its charter)

Washington	**91-0515058**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1617 Sixth Avenue, Seattle, Washington 98101
(Address of principal executive offices)

206-628-2111
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, without par value	JWN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☑ Large Accelerated Filer	☐ Accelerated filer
☐ Non-accelerated filer	☐ Smaller reporting company
	☐ Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

Common stock outstanding as of August 27, 2021: 158,922,869 shares

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the “safe harbor” created by those sections. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “goal,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “potential,” “pursue,” “going forward,” and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, our anticipated financial outlook for the fiscal year ending January 29, 2022, trends in our operations and the following:

Strategic and Operational

- the novel coronavirus (“COVID-19”) global pandemic and civil unrest, each of which may make it necessary to close our physical stores and facilities in affected areas and may have a negative impact on our business and results, any of which may exacerbate the risks below,
- successful execution of our customer strategy to provide customers superior service, products and experiences, online, through our fulfillment capabilities and in stores,
- timely and effective implementation and execution of our evolving business model, including:
  - scaling our market strategy by providing a differentiated and seamless experience, which consists of the integration of our digital and physical assets, development of new supply chain capabilities and timely delivery of products,
  - expanding the reach of Nordstrom Rack, including expanding our price range and selection and leveraging our digital and physical assets,
  - enhancing our platforms and processes to deliver core capabilities to drive customer, employee and partner experiences both digitally and in-store,
- our ability to effectively manage our merchandise strategy, including our ability to offer compelling assortments,
- our ability to effectively utilize internal and third-party data in strategic planning and decision making,
- our ability to effectively allocate and scale our marketing strategies and resources, as well as realize the expected benefits between The Nordy Club, advertising and promotional campaigns,
- our ability to respond to the evolving retail environment, including new fashion trends, environmental considerations and our customers’ changing expectations of service and experience in stores and online, and our development of new market strategies and customer offerings,
- our ability to prevent or mitigate disruptions in the global supply chain, including factory closures, transportation challenges or stoppages of certain imports, and rising freight expenses and control costs through effective inventory management, fulfillment and supply chain processes and systems,
- our ability to realize the expected benefits, anticipate and respond to potential risks and appropriately manage costs associated with our credit card revenue sharing program,
- our ability to acquire, develop and retain qualified and diverse talent by providing appropriate training, compelling work environments and competitive compensation and benefits, especially in areas with increased market compensation,
- potential goodwill impairment charges, future impairment charges, fluctuations in the fair values of reporting units or of assets in the event projected financial results are not achieved within expected time frames or our strategic direction changes,

Data, Cybersecurity and Information Technology

- successful execution of our information technology strategy, including engagement with third-party service providers,
- the impact of any systems or network failures, cybersecurity and/or security breaches, including any security breach of our systems or those of a third-party provider that results in the theft, transfer or unauthorized disclosure of customer, employee or Company information, and our compliance with information security and privacy laws and regulations, as well as third-party contractual obligations in the event of such an incident,

Reputation and Relationships

- our ability to maintain our reputation and relationships with our customers, vendors and third-party partners and landlords,
- our ability to maintain relationships with and motivate our employees, including sustaining our corporate culture and employee morale amid our changing corporate work model,
- our ability to market our brand and distribute our products through a variety of third-party publisher or platform channels, as well as access mobile operating systems and website identifiers for personalized delivery of targeted advertising,

Investment and Capital

- efficient and proper allocation of our capital resources,
- our ability to properly balance our investments in technology, Supply Chain Network facilities and existing and new store locations, including the expansion of our market strategy,

- our ability to maintain or expand our presence, including timely completion of construction associated with Supply Chain Network facilities and new, relocated and remodeled stores, as well as any potential store closures, all of which may be impacted by third parties, consumer demand and other natural or man-made disruptions, and government responses to any such disruptions,
- market fluctuations, increases in operating costs, exit costs and overall liabilities and losses associated with owning and leasing real estate,
- compliance with debt and operating covenants, availability and cost of credit, changes in our credit rating and changes in interest rates,
- the actual timing, price, manner and amounts of future share repurchases, dividend payments or share issuances, if any,

Economic and External

- the length and severity of epidemics or pandemics, such as the COVID-19 pandemic, or other catastrophic events, and the related impact on customer behavior, store and online operations and supply chain functions, as well as our future consolidated financial position, results of operations and cash flows,
- the impact of the seasonal nature of our business and cyclical customer spending,
- the impact of economic and market conditions in the U.S. and Canada, including inflation and the resulting changes to customer purchasing behavior, unemployment and bankruptcy rates, as well as any fiscal stimulus and the resultant impact on consumer spending and credit patterns,
- the impact of economic, environmental or political conditions in the U.S. and Canada and countries where our third-party vendors operate,
- the impact of changing traffic patterns at shopping centers and malls,
- financial insecurity or potential insolvency experienced by our vendors, suppliers, landlords, peers or customers as a result of any economic downturn,
- weather conditions, natural disasters, climate change, national security concerns, other market and supply chain disruptions, the effects of tariffs, or the prospects of these events, and the resulting impact on consumer spending patterns or information technology systems and communications,

Legal and Regulatory

- our, and our vendors', compliance with applicable domestic and international laws, regulations and ethical standards, including those related to COVID-19, minimum wage, employment and tax, information security and privacy, consumer credit and environmental regulations and the outcome of any claims, litigation and regulatory investigations and resolution of such matters,
- the impact of the current regulatory environment, financial system and tax reforms,
- the impact of changes in accounting rules and regulations, changes in our interpretation of the rules or regulations or changes in underlying assumptions, estimates or judgments.

These and other factors, including those factors we discussed in Part II, Item 1A: Risk Factors, could affect our financial results and cause our actual results to differ materially from any forward-looking information we may provide. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this Quarterly Report on Form 10-Q completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

All references to "we," "us," "our," or the "Company" mean Nordstrom, Inc. and its subsidiaries.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the filing date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

DEFINITIONS OF COMMONLY USED TERMS

Term	Definition
2019 Plan	2019 Equity Incentive Plan
2020 Annual Report	Annual Report on Form 10-K filed on March 15, 2021
Adjusted EBITDA	Adjusted earnings (loss) before interest, income taxes, depreciation and amortization (a non-GAAP financial measure)
Adjusted EBITDAR	Adjusted earnings (loss) before interest, income taxes, depreciation, amortization and rent, as defined by our Revolver covenant (a non-GAAP financial measure)
Adjusted ROIC	Adjusted return on invested capital (a non-GAAP financial measure)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
CARES Act	Coronavirus Aid, Relief and Economic Security Act
CODM	Chief operating decision maker
COVID-19	Novel coronavirus
Digital sales	Sales conducted through a digital platform such as our websites or mobile apps. Digital sales may be self-guided by the customer, as in a traditional online order, or facilitated by a salesperson using a virtual styling or selling tool, such as Nordstrom Trunk Club or Style Board. Digital sales may be delivered to the customer or picked up in our Nordstrom stores, Nordstrom Rack stores or Nordstrom Local service hubs. Digital sales also include a reserve for estimated returns.
EBIT	Earnings (loss) before interest and income taxes
EPS	Earnings (loss) per share
ESPP	Employee Stock Purchase Plan
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
Second quarter of 2021	13 fiscal weeks ending July 31, 2021
Second quarter of 2020	13 fiscal weeks ending August 1, 2020
Second quarter of 2019	13 fiscal weeks ending August 3, 2019
Fiscal year 2021	52 fiscal weeks ending January 29, 2022
Fiscal year 2020	52 fiscal weeks ending January 30, 2021
GAAP	U.S. generally accepted accounting principles
Gross profit	Net sales less cost of sales and related buying and occupancy costs
Inventory turnover rate	Trailing 4-quarter cost of sales and related buying and occupancy costs divided by the trailing 4-quarter average inventory
Lease Standard	ASU No. 2016-02, Leases, and all related amendments (ASC 842)
Leverage Ratio	The sum of the preceding twelve months of rent expense under the previous lease guidance multiplied by six and funded debt divided by the preceding twelve months of Adjusted EBITDAR as defined by our Revolver covenant. See Liquidity and Capital Resources in Item 2 for a reconciliation of our non-GAAP financial measure.
MD&A	Management's Discussion and Analysis of Financial Condition and Results of Operations
Nordstrom	Nordstrom.com, TrunkClub.com, Nordstrom-branded U.S. stores, Canada, which includes Nordstrom.ca, Nordstrom Canadian stores and Nordstrom Rack Canadian stores, and Nordstrom Local
Nordstrom Local	Nordstrom Local service hubs, which offer Nordstrom order pickups, returns, alterations and other services
Nordstrom NYC	Our New York City Nordstrom flagship store, including the Men's location
Nordstrom Rack	NordstromRack.com, Nordstrom Rack-branded U.S. stores, Last Chance clearance stores and, prior to the first quarter of 2021, HauteLook.com
The Nordy Club	Our customer loyalty program
NYSE	New York Stock Exchange
Operating Lease Cost	Fixed rent expense, including fixed common area maintenance expense, net of developer reimbursement amortization
PCAOB	Public Company Accounting Oversight Board (United States)
Property incentives	Developer and vendor reimbursements
PSU	Performance share unit
Revolver	Senior revolving credit facility
ROU asset	Operating lease right-of-use asset
RSU	Restricted stock unit
SEC	Securities and Exchange Commission
SERP	Unfunded defined benefit Supplemental Executive Retirement Plan
Secured Notes	8.750% senior secured notes due May 2025
SG&A	Selling, general and administrative
Supply Chain Network	Fulfillment centers that primarily process and ship orders to our customers, distribution centers that primarily process and ship merchandise to our stores and other facilities and omni-channel centers that both fulfill customer orders and ship merchandise to our stores
TD	Toronto-Dominion Bank, N.A.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Amounts in millions except per share amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Net sales	**$3,565**	$1,778	**$6,486**	$3,804
Credit card revenues, net	**92**	84	**180**	177
Total revenues	**3,657**	1,862	**6,666**	3,981
Cost of sales and related buying and occupancy costs	**(2,332)**	(1,406)	**(4,351)**	(3,216)
Selling, general and administrative expenses	**(1,174)**	(826)	**(2,249)**	(1,948)
Earnings (loss) before interest and income taxes	**151**	(370)	**66**	(1,183)
Interest expense, net	**(40)**	(51)	**(177)**	(85)
Earnings (loss) before income taxes	**111**	(421)	**(111)**	(1,268)
Income tax (expense) benefit	**(31)**	166	**25**	492
Net earnings (loss)	**$80**	($255)	**($86)**	($776)
Earnings (loss) per share:				
Basic	**$0.50**	($1.62)	**($0.54)**	($4.95)
Diluted	**$0.49**	($1.62)	**($0.54)**	($4.95)
Weighted-average shares outstanding:				
Basic	**159.0**	157.2	**158.7**	156.8
Diluted	**162.8**	157.2	**158.7**	156.8

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(Amounts in millions)
(Unaudited)

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Net earnings (loss)	**$80**	($255)	**($86)**	($776)
Foreign currency translation adjustment	**(3)**	11	**7**	(13)
Post retirement plan adjustments, net of tax	**1**	1	**2**	3
Comprehensive net earnings (loss)	**$78**	($243)	**($77)**	($786)

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in millions)
(Unaudited)

	July 31, 2021	January 30, 2021	August 1, 2020
Assets			
Current assets:			
Cash and cash equivalents	**$487**	$681	$991
Accounts receivable, net	**317**	245	146
Merchandise inventories	**2,182**	1,863	1,466
Prepaid expenses and other	**475**	853	802
Total current assets	**3,461**	3,642	3,405
Land, property and equipment (net of accumulated depreciation of $7,471, $7,159 and $6,843)	**3,573**	3,732	3,845
Operating lease right-of-use assets	**1,532**	1,581	1,655
Goodwill	**249**	249	249
Other assets	**415**	334	381
Total assets	**$9,230**	$9,538	$9,535
Liabilities and Shareholders' Equity			
Current liabilities:			
Borrowings under revolving line of credit	**$—**	$—	$500
Accounts payable	**1,961**	1,960	1,298
Accrued salaries, wages and related benefits	**487**	352	288
Current portion of operating lease liabilities	**238**	260	272
Other current liabilities	**1,170**	1,048	1,284
Current portion of long-term debt	**—**	500	—
Total current liabilities	**3,856**	4,120	3,642
Long-term debt, net	**2,849**	2,769	3,266
Non-current operating lease liabilities	**1,619**	1,687	1,782
Other liabilities	**638**	657	671
Commitments and contingencies (Note 5)			
Shareholders' equity:			
Common stock, no par value: 1,000 shares authorized; 158.9, 157.8 and 157.1 shares issued and outstanding	**3,245**	3,205	3,168
Accumulated deficit	**(2,916)**	(2,830)	(2,916)
Accumulated other comprehensive loss	**(61)**	(70)	(78)
Total shareholders' equity	**268**	305	174
Total liabilities and shareholders' equity	**$9,230**	$9,538	$9,535

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in millions except per share amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Common stock				
Balance, beginning of period	**$3,221**	$3,148	**$3,205**	$3,129
Issuance of common stock under stock compensation plans	**—**	—	**7**	11
Stock-based compensation	**24**	20	**33**	28
Balance, end of period	**$3,245**	$3,168	**$3,245**	$3,168
Accumulated deficit				
Balance, beginning of period	**($2,996)**	($2,661)	**($2,830)**	($2,082)
Net earnings (loss)	**80**	(255)	**(86)**	(776)
Dividends	**—**	—	**—**	(58)
Balance, end of period	**($2,916)**	($2,916)	**($2,916)**	($2,916)
Accumulated other comprehensive loss				
Balance, beginning of period	**($59)**	($90)	**($70)**	($68)
Other comprehensive (loss) income	**(2)**	12	**9**	(10)
Balance, end of period	**($61)**	($78)	**($61)**	($78)
Total shareholders' equity	**$268**	$174	**$268**	$174
Dividends per share	**$—**	$—	**$—**	$0.37

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)
(Unaudited)

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Operating Activities		
Net loss	**($86)**	($776)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization expenses	**321**	342
Asset impairment	**—**	137
Right-of-use asset amortization	**90**	85
Deferred income taxes, net	**17**	(67)
Stock-based compensation expense	**45**	33
Other, net	**80**	11
Change in operating assets and liabilities:		
Accounts receivable	**(72)**	49
Merchandise inventories	**(189)**	397
Prepaid expenses and other assets	**314**	(534)
Accounts payable	**(88)**	(49)
Accrued salaries, wages and related benefits	**137**	(219)
Other current liabilities	**123**	98
Lease liabilities	**(156)**	(103)
Other liabilities	**9**	5
Net cash provided by (used in) operating activities	**545**	(591)
Investing Activities		
Capital expenditures	**(217)**	(228)
Other, net	**(13)**	17
Net cash used in investing activities	**(230)**	(211)
Financing Activities		
Proceeds from revolving line of credit	**200**	800
Payments on revolving line of credit	**(200)**	(300)
Proceeds from long-term borrowings	**675**	600
Principal payments on long-term borrowings	**(1,100)**	—
Increase (decrease) in cash book overdrafts	**6**	(84)
Cash dividends paid	**—**	(58)
Proceeds from issuances under stock compensation plans	**7**	11
Tax withholding on share-based awards	**(13)**	(8)
Make-whole payment and other, net	**(86)**	(12)
Net cash (used in) provided by financing activities	**(511)**	949
Effect of exchange rate changes on cash and cash equivalents	**2**	(9)
Net (decrease) increase in cash and cash equivalents	**(194)**	138
Cash and cash equivalents at beginning of period	**681**	853
Cash and cash equivalents at end of period	**$487**	$991
Supplemental Cash Flow Information		
Cash (received) paid during the period for:		
Income taxes, net	**($486)**	$8
Interest, net of capitalized interest	**99**	68

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

NORDSTROM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollar and share amounts in millions except per share, per option and per unit amounts)
(Unaudited)

NOTE 1: BASIS OF PRESENTATION

The accompanying Condensed Consolidated Financial Statements include the balances of Nordstrom, Inc. and its subsidiaries. All intercompany transactions and balances are eliminated in consolidation. The interim Condensed Consolidated Financial Statements have been prepared on a basis consistent in all material respects with the accounting policies described and applied in our 2020 Annual Report and reflect all adjustments of a normal recurring nature that are, in management's opinion, necessary for the fair presentation of the results of operations, financial position and cash flows for the periods presented.

The Condensed Consolidated Financial Statements as of and for the periods ended July 31, 2021 and August 1, 2020 are unaudited. The Condensed Consolidated Balance Sheet as of January 30, 2021 has been derived from the audited Consolidated Financial Statements included in our 2020 Annual Report. The interim Condensed Consolidated Financial Statements should be read together with the Consolidated Financial Statements and related footnote disclosures contained in our 2020 Annual Report.

Seasonality

Our business, like that of other retailers, is subject to seasonal fluctuations and cyclical trends in consumer spending. Our sales are typically higher in our second quarter, which usually includes our Anniversary Sale, and the holidays in the fourth quarter. In 2021, one week of the Anniversary Sale shifted into the third quarter. As a result of COVID-19, the Anniversary Sale was moved to August in 2020, which fell entirely in our third fiscal quarter.

Results for any one quarter may not be indicative of the results that may be achieved for a full fiscal year. We plan our merchandise receipts to coincide with expected sales trends and other supply chain factors. Historically, our merchandise purchases and receipts increase prior to the Anniversary Sale, and we purchase and receive a larger amount of merchandise in the fall as we prepare for the holiday shopping season from late November through December. Consistent with our seasonal fluctuations, our working capital requirements have historically increased during the months leading up to the Anniversary Sale and the holidays as we purchase inventory in anticipation of increased sales.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires that we make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities during the reporting period. Uncertainties regarding such estimates and assumptions are inherent in the preparation of financial statements and actual results may differ from these estimates and assumptions. Our most significant accounting judgments and estimates include revenue recognition, inventory valuation, long-lived asset recoverability and income taxes, all of which involve assumptions about future events. We may be unable to accurately predict the ongoing impact of COVID-19 going forward and as a result our estimates may change in the near term.

Investments

In July 2021, we acquired a minority interest in the Topshop, Topman, Miss Selfridge and HIIT brands through a strategic partnership with ASOS.com Ltd. We invest in certain debt and equity securities of private companies that align with our business and omni-channel strategies, which are recorded in other assets in the Condensed Consolidated Balance Sheets and investing other, net on the Condensed Consolidated Statements of Cash Flows.

Land, Property and Equipment

Our net non-cash investing activities primarily related to technology expenditures resulted in a decrease to accounts payable of $43 in 2021.

Long-Lived Assets

In 2020, as we optimized our mix of physical and digital assets to align with longer-term customer trends, we closed 16 Nordstrom stores. In conjunction with these closures, we incurred non-cash impairment charges on long-lived tangible and ROU assets to adjust the carrying values to their estimated fair value. The following table provides details related to asset impairment charges as a result of COVID-19:

	August 1, 2020	
	Quarter Ended	**Six Months Ended**
Long-lived asset impairment[1]	**$2**	**$96**
ROU asset impairment[1]	**18**	**41**
Total asset impairment	**$20**	**$137**

[1] As of August 1, 2020, the carrying value of the applicable long-lived and ROU assets after impairment was $14 and $6.

These charges are primarily included in our Retail segment SG&A expense on the Condensed Consolidated Statement of Earnings.

(Dollar and share amounts in millions except per share, per option and per unit amounts)

Income Taxes
We recorded $58 and $437 in current taxes receivable as of July 31, 2021 and August 1, 2020, which is classified in prepaid expenses and other on the Condensed Consolidated Balance Sheet. In addition, we recorded $69 and $2 in noncurrent taxes receivable as of July 31, 2021 and August 1, 2020, which is classified in other assets on the Condensed Consolidated Balance Sheet. In the second quarter of 2021, we were refunded $492 of the current income taxes receivable associated with the loss carryback provision of the CARES Act, which is classified in prepaid expenses and other assets on the Condensed Consolidated Statement of Cash Flows.

Severance
In 2020, we recorded $88 of restructuring costs in connection with our regional and corporate reorganization, including $25 recorded in cost of sales and related buying and occupancy costs and $63 in SG&A on the Condensed Consolidated Statement of Earnings.

Leases
We incurred operating lease liabilities arising from the commencement of lease agreements of $66 for the six months ended July 31, 2021 and $39 for the six months ended August 1, 2020.

Reclassification
We reclassified our fiscal 2020 Condensed Consolidated Statement of Cash Flows to conform with current period presentation. To adjust our net loss to reconcile to operating activity cash flows, we present depreciation and amortization separate from other, net, which includes the "make-whole" premium in the first quarter of 2021 (see Note 3: Debt and Credit Facilities).

Recent Accounting Pronouncements
In November 2020, the SEC adopted the final rule under SEC Release No. 33-10890, Management's Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information, which eliminates the requirement for selected financial data, streamlines certain disclosures in MD&A and eliminates duplicative disclosures with the intention of simplifying reporting compliance. In the fourth quarter of 2020, we early adopted the amendments to provision 301, Selected financial data and provision 302, Supplementary financial information. In the first quarter of 2021, we adopted all remaining provisions of this final rule. The adoption of this final rule did not have a material effect on our Consolidated Financial Statements.

NOTE 2: REVENUE

Contract Liabilities
Contract liabilities represent our obligation to transfer goods or services to customers and include deferred revenue for The Nordy Club (including points and Nordstrom Notes) and gift cards. Our contract liabilities are classified as current on the Condensed Consolidated Balance Sheets and are as follows:

	Contract Liabilities
Balance as of February 1, 2020	$576
Balance as of May 2, 2020	489
Balance as of August 1, 2020	498
Balance as of January 30, 2021	478
Balance as of May 1, 2021	436
Balance as of July 31, 2021	433

Revenues recognized from our beginning contract liability balance were $106 and $176 for the quarter and six months ended July 31, 2021 and $71 and $175 for the quarter and six months ended August 1, 2020.

(Dollar and share amounts in millions except per share, per option and per unit amounts)

Disaggregation of Revenue

The following table summarizes our disaggregated net sales:

	Quarter Ended		Six Months Ended	
	July 31, 2021	August 1, 2020	July 31, 2021	August 1, 2020
Nordstrom	**$2,417**	$1,066	**$4,270**	$2,423
Nordstrom Rack	**1,148**	712	**2,216**	1,381
Total net sales	**$3,565**	$1,778	**$6,486**	$3,804
Digital sales as a % of total net sales	**40 %**	61 %	**42 %**	57 %

The following table summarizes the percent of net sales by merchandise category:

	Quarter Ended		Six Months Ended	
	July 31, 2021	August 1, 2020	July 31, 2021	August 1, 2020
Women’s Apparel	**30 %**	27 %	**30 %**	30 %
Shoes	**24 %**	27 %	**25 %**	26 %
Women’s Accessories	**14 %**	15 %	**14 %**	14 %
Men’s Apparel	**14 %**	12 %	**13 %**	11 %
Beauty	**11 %**	12 %	**11 %**	12 %
Kids’ Apparel	**4 %**	4 %	**4 %**	4 %
Other	**3 %**	3 %	**3 %**	3 %
Total net sales	**100 %**	100 %	**100 %**	100 %

NOTE 3: DEBT AND CREDIT FACILITIES

Debt

A summary of our long-term debt is as follows:

	July 31, 2021	January 30, 2021	August 1, 2020
Long-term debt, net of unamortized discount:			
Senior notes, 4.00%, due October 2021	**$—**	$500	$500
Senior notes, 2.30%, due April 2024	**250**	—	—
Secured Notes, 8.75%, due May 2025	**—**	600	600
Senior notes, 4.00%, due March 2027	**349**	349	349
Senior debentures, 6.95%, due March 2028	**300**	300	300
Senior notes, 4.375%, due April 2030	**500**	500	499
Senior notes, 4.25%, due August 2031	**425**	—	—
Senior notes, 7.00%, due January 2038	**147**	147	147
Senior notes, 5.00%, due January 2044	**901**	900	899
Deferred bond issue costs	**(23)**	(27)	(28)
Total long-term debt	**2,849**	3,269	3,266
Less: current portion	**—**	(500)	—
Total due beyond one year	**$2,849**	$2,769	$3,266

During the first quarter of 2021, we issued $250 aggregate principal amount of 2.30% senior notes due April 2024 and $425 aggregate principal amount of 4.25% senior notes due August 2031. These notes are unsecured and may be redeemed at any time in whole or in part. The April 2024 notes can be redeemed at par starting in April 2022. With the net proceeds of these new notes, together with cash on hand, we retired our Secured Notes. We recorded $88 related to the redemption in interest expense, net, which primarily consisted of a one-time payment of $78 for a “make-whole” premium, and the write-off of unamortized balances associated with the debt discount and issuance costs. The make-whole payment was not included in cash paid during the period for interest, net of capitalized interest. As a result of this redemption, our outstanding long-term debt is unsecured and all real estate is unencumbered.

During the second quarter of 2021, we retired our 4.00% senior notes that were due October 2021 using cash on hand.

Credit Facilities

During the first quarter of 2021, we amended our Revolver. Under the Revolver, we are in a “Collateral Period” if our Leverage Ratio is greater than four or our unsecured debt is rated below BBB- with a stable outlook at Standard & Poor’s or Baa3 with a stable outlook at Moody’s. In the Collateral Period, any outstanding borrowings under our Revolver will be secured by substantially all our personal property and we will be subject to asset coverage and minimum liquidity covenants, as well as a fixed charge coverage covenant. If our Leverage Ratio is less than four and our unsecured debt is rated at or above BBB- with a stable outlook at Standard & Poor’s and Baa3 with a stable outlook at Moody’s, any borrowings under our Revolver will be unsecured, we will not be subject to the above covenants and the restrictions on dividend payments and share repurchases will be removed. As of July 31, 2021, we were in a Collateral Period, as our Leverage Ratio was less than four but we did not meet or exceed our credit rating threshold, and we were in compliance with all our Revolver covenants.

Under our Revolver amendment, we created flexibility for dividends and share repurchases during the Collateral Period, provided no default or event of default exists as a result of such payments, the pro-forma Leverage Ratio as of the most recent fiscal quarter is less than 3.75, pro-forma liquidity at the date of such payment is at least $600, and the amount of such payments do not exceed the amount of the corresponding fiscal quarter of 2019. Additionally, the “make-whole” premium and unamortized deferred bond issuance costs related to the redemption of the Secured Notes is excluded from the definition of interest expense. As of July 31, 2021, our Leverage Ratio was greater than 3.75, thus we did not meet the requirements under our Revolver amendment to pay dividends or repurchase shares.

The Revolver expires in September 2023 and is classified in total current liabilities on the Condensed Consolidated Balance Sheets. In 2021, we borrowed $200 during the first quarter and paid down the entirety of the outstanding balance in the second quarter. Provided that we obtain written consent from the lenders, we have the option to increase the Revolver by up to $200, to a total of $1,000, and two options to extend the Revolver by one year. The Revolver contains customary representations, warranties, covenants and terms, including paying a variable rate of interest and a commitment fee based on our debt rating. The Revolver is available for working capital, capital expenditures and general corporate purposes.

Our $800 commercial paper program allows us to use the proceeds to fund operating cash requirements. Under the terms of the commercial paper agreement, we pay a rate of interest based on, among other factors, the maturity of the issuance and market conditions. The issuance of commercial paper has the effect of reducing available liquidity under the Revolver by an amount equal to the principal amount of commercial paper outstanding. As of July 31, 2021, we had no issuances outstanding under our commercial paper program and no borrowings outstanding under our Revolver.

NOTE 4: FAIR VALUE MEASUREMENTS

We disclose our financial assets and liabilities that are measured at fair value in our Condensed Consolidated Balance Sheets by level within the fair value hierarchy as defined by applicable accounting standards:

Level 1: Quoted market prices in active markets for identical assets or liabilities
Level 2: Other observable market-based inputs or unobservable inputs that are corroborated by market data
Level 3: Unobservable inputs that cannot be corroborated by market data that reflect the reporting entity’s own assumptions

Financial Instruments Measured at Carrying Value

Financial instruments measured at carrying value on a recurring basis include cash and cash equivalents, accounts receivable, accounts payable and our Revolver, which approximate fair value due to their short-term nature.

(Dollar and share amounts in millions except per share, per option and per unit amounts)

Long-term debt is recorded at carrying value. If long-term debt was measured at fair value, we would use quoted market prices of the same or similar issues, which is considered a Level 2 fair value measurement. The following table summarizes the carrying value and fair value estimate of our long-term debt, including current maturities:

	July 31, 2021	January 30, 2021	August 1, 2020
Carrying value of long-term debt	**$2,849**	$3,269	$3,266
Fair value of long-term debt	**3,051**	3,430	2,922

Non-financial Assets Measured at Fair Value on a Nonrecurring Basis
We also measure certain non-financial assets at fair value on a nonrecurring basis, primarily goodwill, long-lived tangible and ROU assets, in connection with periodic evaluations for potential impairment. We estimate the fair value of these assets using primarily unobservable inputs and, as such, these are considered Level 3 fair value measurements. There were no material impairment charges for these assets for the six months ended July 31, 2021. For more information regarding long-lived tangible and ROU asset impairment charges for the six months ended August 1, 2020, see Note 1: Basis of Presentation.

NOTE 5: COMMITMENTS AND CONTINGENCIES

Our NYC flagship store opened in October 2019 and the related building and equipment assets were placed into service at the end of the third quarter of 2019. While our store has opened, construction continues in the residential condominium units above the store. As of July 31, 2021, we have a fee interest in the retail condominium unit. We are committed to make one remaining installment payment based on the developer meeting final pre-established construction and development milestones. Precautions related to COVID-19 have caused delays in meeting these milestones and the timing of the remaining payment.

NOTE 6: SHAREHOLDERS' EQUITY

In August 2018, our Board of Directors authorized a program to repurchase up to $1,500 of our outstanding common stock, with no expiration date. On March 23, 2020, in response to uncertainty from the COVID-19 pandemic, we announced the suspension of our quarterly dividend payments beginning in the second quarter of 2020 and the immediate suspension of our share repurchase program. We remain committed to these programs over the long-term and intend to resume dividend payments and share repurchases when appropriate. We had $707 remaining in share repurchase capacity as of July 31, 2021. The actual timing, price, manner and amounts of future share repurchases, if any, will be subject to the discretion of the Board of Directors, contractual commitments, market and economic conditions and applicable SEC rules.

Our Revolver contains negative covenants with respect to the payment of dividends and share repurchases. Under our Revolver amendment, we created flexibility for dividends and share repurchases, provided certain requirements are met (see Note 3: Debt and Credit Facilities).

NOTE 7: STOCK-BASED COMPENSATION

The following table summarizes our stock-based compensation expense:

	Quarter Ended		Six Months Ended	
	July 31, 2021	August 1, 2020	July 31, 2021	August 1, 2020
RSUs	**$14**	$16	**$28**	$29
Stock options	**8**	2	**15**	4
Other[1]	**1**	2	**2**	—
Total stock-based compensation expense, before income tax benefit	**23**	20	**45**	33
Income tax benefit	**(6)**	(8)	**(12)**	(13)
Total stock-based compensation expense, net of income tax benefit	**$17**	$12	**$33**	$20

[1] Other stock-based compensation expense includes PSUs, ESPP and nonemployee director stock awards.

(Dollar and share amounts in millions except per share, per option and per unit amounts)

The following table summarizes our grant allocations:

	Six Months Ended			
	July 31, 2021		August 1, 2020	
	Granted	Weighted-average grant-date fair value per unit	Granted	Weighted-average grant-date fair value per unit
RSUs	**1.4**	**$33**	3.3	$21
Stock options	**1.2**	**$13**	1.8	$7
PSUs	**—**	**—**	0.4	$24

Under our deferred and stock-based compensation plan arrangements, we issued 0.1 and 1.2 shares of common stock during the quarter and six months ended July 31, 2021 and 0.1 and 1.6 shares during the quarter and six months ended August 1, 2020.

NOTE 8: EARNINGS PER SHARE

The computation of EPS is as follows:

	Quarter Ended		Six Months Ended	
	July 31, 2021	August 1, 2020	July 31, 2021	August 1, 2020
Net earnings (loss)	**$80**	($255)	**($86)**	($776)
Basic shares	**159.0**	157.2	**158.7**	156.8
Dilutive effect of common stock equivalents	**3.8**	—	**—**	—
Diluted shares	**162.8**	157.2	**158.7**	156.8
Earnings (loss) per basic share	**$0.50**	($1.62)	**($0.54)**	($4.95)
Earnings (loss) per diluted share	**$0.49**	($1.62)	**($0.54)**	($4.95)
Anti-dilutive common stock equivalents	**7.5**	14.4	**12.0**	13.7

NOTE 9: SEGMENT REPORTING

The following table sets forth information for our reportable segment:

	Quarter Ended		Six Months Ended	
	July 31, 2021	August 1, 2020	July 31, 2021	August 1, 2020
Retail segment EBIT	**$193**	($394)	**$138**	($1,105)
Corporate/Other EBIT	**(42)**	24	**(72)**	(78)
Interest expense, net	**(40)**	(51)	**(177)**	(85)
Earnings (loss) before income taxes	**$111**	($421)	**($111)**	($1,268)

For information about disaggregated revenues, see Note 2: Revenue.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts)

OVERVIEW

We delivered strong second quarter results, driven by broad-based momentum across banners, regions, and merchandising categories, and the performance of our Anniversary Sale, in which sales exceeded 2019 levels. We capitalized on improving customer demand with solid execution, healthy inventory sell-through and continued expense management.

Net earnings for the second quarter was $80, or $0.49 per diluted share. Second quarter net sales increased 101% from the same period in 2020 and decreased 6% from the same period in 2019, representing a sequential improvement of approximately 7 percentage points relative to the first quarter of fiscal 2021.

We are very pleased with the performance of our Anniversary Sale with total event sales increasing 1% over 2019, including the final week of the event which fell in the third quarter. Our Anniversary Sale rewards and engages our loyal customers with brand new product at reduced prices for a limited time. As consumer spending and mobility increased, we were well-positioned to respond to pent-up demand, as evidenced in the performance of our core categories, driving improvement in shoes, apparel and accessories compared with the first quarter. Our designer offering performed well across the business, with sales increasing over 2019.

Our second quarter performance reflects our steady execution and commitment to the strategic priorities we shared at our 2021 investor event: win in our most important markets, broaden the reach of Nordstrom Rack and increase our digital velocity.

Market Strategy — We believe that our market strategy is a powerful enabler for the business, allowing us to better serve customers and provide greater access to product by linking our assets at the market level. We have seen a positive customer response to the enhanced capabilities we launched with our Market Strategy in 2020, including the extension of order pick-up and ship-to-store to all Nordstrom Rack locations. During the Anniversary Sale, nearly 40% of next day pick-up orders for Nordstrom were picked up in a Rack store, evidence of the power of integrating capabilities across our two brands.

Nordstrom Rack — In the second quarter, total Nordstrom Rack sales declined 8% compared with 2019, a nearly five percentage point sequential improvement from the first quarter. Despite challenges with inventory flow, we are encouraged by the early results of our merchandise repositioning efforts, with price-oriented offerings in Active, Home, and Kids delivering a combined double-digit sales increase in those categories. Going forward, we are committed to building on this progress by continuing to expand our Rack offering and delivering an assortment that appeals to a wider set of customers while deepening our offering for our core customers.

Digital Velocity — This quarter, digital sales increased 30% compared with the same period in 2020 and 24% over the second quarter of 2019. We continued to drive growth at our Nordstrom and Rack apps and websites, even as store traffic improved, a testament to the power of our interconnected digital and physical assets. We also completed the integration of NordstromRack.com onto the Nordstrom.com platform, delivering a more seamless shopping experience and improving reliability, while positioning us for more profitable growth as we continue to scale our NordstromRack.com business.

Overall, we are pleased with our continued progress against our strategic priorities. We also remain committed to our ongoing capital allocation priorities: investing in the business, reducing our leverage and returning cash to shareholders. We further strengthened our balance sheet, retiring $500 in senior unsecured notes during the second quarter that were set to mature in October 2021. Through a combination of earnings improvement and debt reduction, we are on track to achieve our plan to decrease our leverage ratio to approximately 3 times by the end of this year and approximately 2.5 times by the end of 2022. We also expect to be in a position to return cash to shareholders by the end of the year.

As we look ahead, we are excited about the opportunity that lies before us. Our transformation is gaining momentum and positioning us to capitalize on a significant opportunity to profitably grow our business as demand improves. We remain focused on the work ahead to drive market share gains, improve profitability and cash flow generation, and drive shareholder value.

(Dollar and share amounts in millions except per share amounts)

RESULTS OF OPERATIONS

In our ongoing effort to enhance the customer experience, we are focused on providing a seamless retail experience across our Company. We invested early in integrating our operations, merchandising and technology across our stores and online, and in both Nordstrom and Nordstrom Rack banners. By connecting our digital and physical assets across Nordstrom and Nordstrom Rack, we are able to better serve customers when, where and how they want to shop. We have one Retail reportable segment and analyze our results on a total company basis, using customer, market share, operational and net sales metrics.

Due to the extraordinary impact of COVID-19 on our results in fiscal 2020, we analyzed the second quarter of fiscal year 2021 net sales through EBIT against the same fiscal quarters in 2020 and 2019 to provide useful supplemental comparability.

Our Anniversary Sale, historically the largest event of the year, typically falls in the second quarter. In 2021, one week of the Anniversary Sale shifted into the third quarter. In 2020, the Anniversary Sale was moved to August, which fell entirely in our third fiscal quarter. In 2019, the Anniversary Sale was in the second quarter.

Net Sales

See Note 2: Revenue in Item I of this Form 10-Q, for net sales disaggregation. The following table summarizes net sales:

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Net sales:				
Nordstrom	**$2,417**	$1,066	**$4,270**	$2,423
Nordstrom Rack	**1,148**	712	**2,216**	1,381
Total net sales	**$3,565**	$1,778	**$6,486**	$3,804
Net sales increase (decrease):				
Nordstrom	**126.7 %**	(57.9 %)	**76.3 %**	(48.0 %)
Nordstrom Rack	**61.4 %**	(43.0 %)	**60.4 %**	(44.1 %)
Total Company	**100.5 %**	(53.0 %)	**70.5 %**	(46.6 %)
Digital sales as a % of total net sales	**40 %**	61 %	**42 %**	57 %
Digital sales increase (decrease)	**30 %**	(5 %)	**27 %**	— %

Net Sales (2021 vs. 2020)
Total Company net sales increased 100.5% and 70.5% for the second quarter and six months ended July 31, 2021, compared with the same periods in 2020, during which stores were temporarily closed for approximately half of the quarter and six months ended August 1, 2020 and the Anniversary Sale temporarily shifted to the third quarter. Total Company digital sales increased 30% and 27% for the second quarter and six months ended July 31, 2021, compared with the same periods in 2020. During the six months ended July 31, 2021, we closed two Nordstrom Rack stores.

Nordstrom net sales increased 126.7% and 76.3% for the second quarter and six months ended July 31, 2021, compared with the same periods in 2020. Nordstrom Rack net sales increased 61.4% and 60.4% for the second quarter and six months ended July 31, 2021, compared with the same periods in 2020. The top-performing merchandise categories were Men's and Women's Apparel for the second quarter of 2021 and Men's Apparel and Active for the six months ended July 31, 2021.

Net Sales (2021 vs. 2019)
Total Company net sales decreased 5.7% for the second quarter of 2021, compared with the same period in 2019, a sequential improvement of approximately 700 basis points relative to the first quarter of 2021. The Anniversary Sale had a stronger performance compared with 2019, with total event sales increasing 1.0%, including the final week of the event which fell in the third quarter. Total Company digital sales increased 24% for the second quarter of 2021, compared with the same period in 2019.

Nordstrom net sales decreased 4.5% for the second quarter of 2021, compared with the same period in 2019. Nordstrom Rack net sales decreased 8.0% for the second quarter of 2021, compared with the same period in 2019. Home, Active and Designer were the top-performing merchandise categories.

Credit Card Revenues, Net

Credit card revenues, net include our portion of the ongoing credit card revenue, net of credit losses, pursuant to our program agreement with TD. TD is the exclusive issuer of our consumer credit cards and we perform the account servicing functions.

(Dollar and share amounts in millions except per share amounts)

Credit Card Revenues, Net (2021 vs. 2020)
Credit card revenues, net increased $8 and $3 for the second quarter and six months ended July 31, 2021, compared with the same periods in 2020, primarily as a result of higher finance charges and late fee revenues throughout the second quarter due to higher outstanding balances as consumer spending rebounded leading to higher interchange fees from increased spend on our credit cards.

Credit Card Revenues, Net (2021 vs 2019)
Credit card revenues, net decreased $2 for the second quarter of 2021, compared with the same period in 2019, primarily as a result of lower finance charges and late fee revenues throughout the second quarter due to lower outstanding balances as consumers continued to make higher payments in the second quarter of 2021 and lower interchange fees from lower spend on our credit cards.

Gross Profit
The following table summarizes gross profit:

	Quarter Ended			Six Months Ended		
	July 31, 2021	**August 1, 2020**	**August 3, 2019**	**July 31, 2021**	**August 1, 2020**	**August 3, 2019**
Gross profit	**$1,233**	$372	$1,302	**$2,135**	$588	$2,423
Gross profit as a % of net sales	**34.6%**	20.9%	34.5%	**32.9%**	15.5%	34.0%
				July 31, 2021	**August 1, 2020**	**August 3, 2019**
Inventory turnover rate				**4.68**	4.52	4.71

Gross Profit (2021 vs. 2020)
Gross profit increased $861 and 14 percentage points as a rate of net sales for the second quarter of 2021, and $1,547 and 17 percentage points as a rate of net sales for the six months ended July 31, 2021 compared with the same periods in 2020, primarily due to leverage from higher sales volume and lower markdowns.

Ending inventory as of July 31, 2021 increased 49% compared with the same period in 2020, versus a 100.5% increase in sales. The change in inventory levels compared with 2020 is due to our actions to pull forward receipts to mitigate continuing supply chain backlogs and support improving sales trends and the impact of the COVID-19 temporary store closures in 2020. Higher sales volume led to an increase in inventory turnover rate as of July 31, 2021 compared with August 1, 2020.

Gross Profit (2021 vs. 2019)
Gross profit decreased $69 for the second quarter of 2021, which was flat as a rate of net sales compared with the same period in 2019, as a result of deleverage on lower sales, partially offset by lower markdowns resulting from healthy inventory sell-through.

Ending inventory increased 13% compared with the same period in 2019, versus a 6% decrease in sales. The change in inventory levels compared with 2019 is primarily due to the timing shift of the Anniversary Sale and our actions to pull forward receipts to mitigate continuing supply chain backlogs and support improving sales trends.

Selling, General and Administrative Expenses
SG&A is summarized in the following table:

	Quarter Ended			Six Months Ended		
	July 31, 2021	**August 1, 2020**	**August 3, 2019**	**July 31, 2021**	**August 1, 2020**	**August 3, 2019**
SG&A expenses	**$1,174**	$826	$1,180	**$2,249**	$1,948	$2,319
SG&A expenses as a % of net sales	**32.9%**	46.5%	31.2%	**34.7%**	51.2%	32.5%

SG&A (2021 vs. 2020)
SG&A increased $348 during the second quarter of 2021, and $301 for the six months ended July 31, 2021, compared with the same periods in 2020, primarily due to variable costs on higher sales volume, partially offset for the six months ended July 31, 2021 by the impact of the 2020 COVID-19 related charges. SG&A rate decreased 14 percentage points during the second quarter of 2021, and 17 percentage points for the six months ended July 31, 2021, compared with the same periods in 2020, primarily as a result of leverage on higher sales and COVID-19 related charges that occurred in the first half of 2020.

(Dollar and share amounts in millions except per share amounts)

SG&A (2021 vs. 2019)
SG&A decreased $6 during the second quarter of 2021, compared with the same period in 2019, primarily due to the continued benefit of permanent reductions in overhead expenses, partially offset by increased fulfillment expenses. SG&A rate increased 1.7 percentage points during the second quarter of 2021, compared with the same period in 2019, primarily as a result of freight and labor cost pressures, partially offset by continued benefits from resetting the cost structure in 2020.

Earnings (Loss) Before Interest and Income Taxes
EBIT is summarized in the following table:

	Quarter Ended			Six Months Ended		
	July 31, 2021	**August 1, 2020**	**August 3, 2019**	**July 31, 2021**	**August 1, 2020**	**August 3, 2019**
EBIT	**$151**	($370)	$216	**$66**	($1,183)	$292
EBIT as a % of net sales	**4.2%**	(20.8%)	5.7%	**1.0%**	(31.1%)	4.1%

EBIT (2021 vs. 2020)
EBIT improved $521 and 25 percentage points as a rate of net sales for the second quarter of 2021 and $1,249 and 32 percentage points as a rate of net sales for the six months ended July 31, 2021, compared with the same periods in 2020. The increase for the second quarter of 2021 was primarily due to higher sales volume and gross margin improvement. The increase for the six months ended July 31, 2021 was primarily due to gross margin improvement, the 2020 impacts of COVID-19 and higher sales volume.

EBIT (2021 vs. 2019)
For the second quarter of 2021, EBIT decreased $65 and 1.5 percentage points as a rate of net sales, compared with the same period in 2019 primarily due to freight and labor cost pressures and lower sales volumes, partially offset by ongoing benefits from resetting the cost structure in 2020.

Interest Expense, Net
Interest expense, net was $40 for the second quarter of 2021, compared with $51 for the same period in 2020, and $177 for the six months ended July 31, 2021, compared with $85 for the same period in 2020. The decrease for the second quarter of 2021 was primarily due to additional interest related to the Revolver drawdown in 2020, as well as the redemption of the Secured Notes during the first quarter of 2021. The increase for the six months ended July 31, 2021 was primarily due to debt refinance charges of $88 related to the redemption of the Secured Notes in the first quarter of 2021.

Income Tax Expense
Income tax expense is summarized in the following table:

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Income tax expense (benefit)	**$31**	($166)	**($25)**	($492)
Effective tax rate	**27.9 %**	39.5 %	**22.9 %**	38.8 %

The effective tax rate decreased in the second quarter of 2021 and for the six months ended July 31, 2021, compared with the same periods in 2020, primarily due to additional tax benefits recorded in 2020 associated with losses eligible for carryback under the CARES Act.

Earnings (Loss) Per Share
EPS is as follows:

	Quarter Ended		Six Months Ended	
	July 31, 2021	**August 1, 2020**	**July 31, 2021**	**August 1, 2020**
Basic	**$0.50**	($1.62)	**($0.54)**	($4.95)
Diluted	**$0.49**	($1.62)	**($0.54)**	($4.95)

Earnings (loss) per diluted share increased $2.11 for the second quarter of 2021 and $4.41 for the six months ended July 31, 2021, compared with the same periods in 2020, during which stores were temporarily closed for approximately half of the quarter. These increases were primarily due to higher sales and improved merchandise margins, partially offset by an interest expense charge of $88, or $0.41 per diluted share related to the redemption of the Secured Notes in the first quarter of 2021. In 2020, we incurred COVID-19 related charges, which reduced net earnings for the six months ended August 1, 2020 by $185 or $1.18 per diluted share.

(Dollar and share amounts in millions except per share amounts)

Fiscal Year 2021 Outlook

Based on better than expected results in the first half, and our expectations for continued progress in the second half, we updated our financial outlook for fiscal 2021 as follows:

	Prior Outlook	Current Outlook
Revenue growth, including retail sales and credit card revenues	More than 25 percent	More than 35 percent
EBIT margin, as percent of sales	Approximately 3 percent	3.0 to 3.5 percent
Income tax rate	Approximately 27 percent	Approximately 27 percent
Leverage ratio by year-end	Approximately 3x	Approximately 3x

Adjusted ROIC (Non-GAAP financial measure)

We believe that Adjusted ROIC is a useful financial measure for investors in evaluating the efficiency and effectiveness of the capital we have invested in our business to generate returns over time. In addition, we have incorporated it in our executive incentive measures and we believe it is an important indicator of shareholders' return over the long term.

Adjusted ROIC is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, return on assets, net earnings, total assets or other GAAP financial measures. Our method of calculating 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 Adjusted ROIC is return on assets. The following is a reconciliation of return on assets to Adjusted ROIC:

	Four Quarters Ended	
	July 31, 2021	**August 1, 2020**
Net earnings (loss)	**$1**	($458)
Less: income tax benefit	**(72)**	(375)
Add: interest expense	**274**	149
Earnings (loss) before interest and income tax expense	**203**	(684)
Add: operating lease interest[1]	**92**	98
Adjusted net operating income (loss)	**295**	(586)
(Less) Add: estimated income tax (benefit) expense	**(300)**	264
Adjusted net operating loss after tax	**($5)**	($322)
Average total assets	**$9,489**	$9,850
Less: average deferred property incentives in excess of ROU assets[2]	**(255)**	(296)
Less: average non-interest bearing current liabilities	**(3,267)**	(3,267)
Average invested capital	**$5,967**	$6,287
Return on assets[3]	**— %**	(4.6 %)
Adjusted ROIC[3]	**(0.1 %)**	(5.1 %)

[1] We add back the operating lease interest to reflect how we manage our business. Operating lease interest is a component of operating lease cost recorded in occupancy costs.
[2] For leases with property incentives that exceed the ROU assets, we reclassify the amount from assets to other current liabilities and other liabilities and reduce average total assets, as this better reflects how we manage our business.
[3] COVID-19 related charges for the four quarters ended August 1, 2020 negatively impacted return on assets by approximately 190 basis points and Adjusted ROIC by approximately 270 basis points.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollar and share amounts in millions except per share amounts)

LIQUIDITY AND CAPITAL RESOURCES

We strive to maintain a level of liquidity sufficient to allow us to cover our seasonal cash needs and to maintain appropriate levels of short-term borrowings. Our ongoing working capital requirements are generally funded primarily through cash flows generated from operations. In addition, we have access to the commercial paper market and can draw on our revolving credit facilities for working capital, capital expenditures and general corporate purposes. We ended the second quarter of 2021 with $487 in cash and cash equivalents and $800 of additional liquidity available on our Revolver. We believe that our operating cash flows are sufficient to meet our cash requirements for the next 12 months and beyond.

Over the long term, we manage our cash and capital structure to maximize shareholder return, maintain our financial position, manage refinancing risk and allow flexibility for strategic initiatives. We regularly assess our debt and leverage levels, capital expenditure requirements, debt service payments, dividend payouts, potential share repurchases and other future investments.

The following is a summary of our cash flows by activity:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Net cash provided by (used in) operating activities	**$545**	($591)
Net cash used in investing activities	**(230)**	(211)
Net cash (used in) provided by financing activities	**(511)**	949

Operating Activities

Cash from operating activities increased $1,136 for the six months ended July 31, 2021, compared with the same period in 2020, primarily due to an improvement in net earnings and receipt of the income tax refund related to the loss carryback provision of the CARES Act.

Investing Activities

Net cash used in investing activities increased $19 for the six months ended July 31, 2021, compared with the same period in 2020, primarily due to our investment in ASOS.com Ltd.

Capital Expenditures

Our capital expenditures, net are summarized as follows:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Capital expenditures	**$217**	$228
Less: deferred property incentives[1]	**(8)**	(27)
Capital expenditures, net	**$209**	$201
Capital expenditures as a % of net sales	**3.3 %**	6.0 %

[1] Deferred property incentives are included in our cash provided by operations in our Condensed Consolidated Statements of Cash Flows in Item 1. We operationally view the property incentives we receive from our developers and vendors as an offset to our capital expenditures.

Financing Activities

Net cash from financing activities decreased $1,460 for the six months ended July 31, 2021, compared with the same period in 2020, primarily due to the retirement of the Secured Notes and 4.0% senior unsecured notes that were due October 2021 (see Note 3: Debt and Credit Facilities in Item 1).

(Dollar and share amounts in millions except per share amounts)

Free Cash Flow (Non-GAAP financial measure)

Free Cash Flow is one of our key liquidity measures and, when used in conjunction with GAAP measures, we believe it 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 calculating 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 (used in) operating activities. The following is a reconciliation of net cash provided by (used in) operating activities to Free Cash Flow:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Net cash provided by (used in) operating activities	**$545**	($591)
Less: capital expenditures	**(217)**	(228)
Add (Less): change in cash book overdrafts	**6**	(84)
Free Cash Flow	**$334**	($903)

Adjusted EBITDA (Non-GAAP financial measure)

Adjusted EBITDA is one of our key financial metrics to reflect our view of cash flow from net earnings. Adjusted EBITDA excludes significant items which are non-operating in nature in order to evaluate our core operating performance against prior periods. The financial measure calculated under GAAP which is most directly comparable to Adjusted EBITDA is net earnings.

Adjusted EBITDA is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for net earnings, overall change in cash or liquidity of the business as a whole. Our method of calculating a non-GAAP financial measure may differ from other companies’ methods and therefore may not be comparable to those used by other companies. The following is a reconciliation of net loss to Adjusted EBITDA:

	Six Months Ended	
	July 31, 2021	**August 1, 2020**
Net loss	**($86)**	($776)
Less: income tax benefit	**(25)**	(492)
Add: interest expense, net	**177**	85
Earnings (loss) before interest and income taxes	**66**	(1,183)
Add: depreciation and amortization expenses	**321**	342
Less: amortization of developer reimbursements	**(40)**	(42)
Add: asset impairments	**—**	137
Adjusted EBITDA	**$347**	($746)

(Dollar and share amounts in millions except per share amounts)

Credit Capacity and Commitments

During the first quarter of 2021, we borrowed $200 and completely repaid it in the second quarter of 2021, resulting in no borrowings outstanding under our Revolver as of July 31, 2021. The Revolver contains customary representations, warranties, covenants and terms, including paying a variable rate of interest and a commitment fee based on our debt rating. The Revolver is available for working capital, capital expenditures and general corporate purposes. Provided that we obtain written consent from our lenders, we have the option to increase the Revolver by up to $200, to a total of $1,000, and two options to extend the Revolver by one year. For more information about our credit facilities, see Note 3: Debt and Credit Facilities in Item 1.

Impact of Credit Ratings

Changes in our credit ratings may impact our costs to borrow, whether our personal property secures our Revolver and whether we are permitted to pay dividends or conduct share repurchases.

For our Revolver, the interest rate applicable to any borrowings we may enter into depends upon the type of borrowing incurred plus an applicable margin, which is determined based on our credit ratings. At the time of this report, our credit ratings and outlook were as follows:

	Credit Ratings	Outlook
Moody’s	Ba1	Stable
Standard & Poor’s	BB+	Stable
Fitch	BBB-	Negative

Should the ratings assigned to our long-term debt improve, the applicable margin associated with any borrowings under the Revolver may decrease, resulting in a lower borrowing cost under this facility. Conversely, should the ratings assigned to our long-term debt worsen, the applicable margin associated with any borrowings under the Revolver may increase, resulting in a higher borrowing cost under this facility.

Revolver Covenants

As of July 31, 2021, we were in compliance with all our Revolver covenants. Under our current covenant structure, if our Leverage Ratio is greater than four or our unsecured debt is rated below BBB- with a stable outlook at Standard & Poor’s or Baa3 with a stable outlook at Moody’s, any outstanding borrowings under our Revolver will be secured by substantially all our personal property.

As of July 31, 2021, our Leverage Ratio was greater than 3.75, thus we did not meet the requirements under our Revolver amendment to pay dividends or repurchase shares. For more information about our Revolver covenants, see Note 3: Debt and Credit Facilities in Item 1.

(Dollar and share amounts in millions except per share amounts)

Adjusted Debt to EBITDAR (Non-GAAP financial measure)

Adjusted Debt to EBITDAR is one of our key financial metrics and we believe that our debt levels are best analyzed using this measure, as it provides a reflection of our creditworthiness that could impact our credit rating and borrowing costs. This metric is calculated in accordance with our Revolver covenant and is a key component in assessing whether our revolving credit facility is secured or unsecured, as well as our ability to make dividend payments and share repurchases. Our goal is to manage debt levels to maintain an investment-grade credit rating while operating with an efficient capital structure.

Adjusted Debt to EBITDAR is not a measure of financial performance under GAAP and should be considered in addition to, and not as a substitute for, debt to net earnings, net earnings, debt or other GAAP financial measures. 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 following is a reconciliation of debt to net earnings to Adjusted Debt to EBITDAR:

	July 31, 2021
Debt	**$2,849**
Add: estimated capitalized operating lease liability[1]	**1,350**
Adjusted Debt	**$4,199**

	Four Quarters Ended July 31, 2021
Net earnings	**$1**
Less: income tax benefit	**(72)**
Add: interest expense, net	**273**
Adjusted earnings before interest and income taxes	**$202**
Add: depreciation and amortization expenses	**650**
Add: rent expense, net[2]	**225**
Add: other Revolver covenant adjustments[3]	**1**
Adjusted EBITDAR	**$1,078**
Debt to Net Earnings	**2,849.0**
Adjusted Debt to EBITDAR	**3.9**

[1] Based upon the estimated lease liability as of the end of the period, calculated as the trailing four quarters of rent expense multiplied by six, a method of estimating the debt we would record for our leases that are classified as operating if they had met the criteria for a capital lease or we had purchased the property and is calculated under the previous lease standard, consistent with our Revolver covenant calculation requirements. The estimated lease liability is not calculated in accordance with, nor an alternative for, GAAP and should not be considered in isolation or as a substitution for our results reported under GAAP.
[2] Rent expense, net of amortization of developer reimbursements, is added back for consistency with our Revolver covenant calculation requirements, and is calculated under the previous lease standard.
[3] Other adjusting items to reconcile net earnings to Adjusted EBITDAR as defined by our Revolver covenant include interest income and certain non-cash charges where relevant.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. We believe that the estimates, assumptions and judgments involved in the accounting policies referred to in our 2020 Annual Report have the greatest potential effect on our financial statements, so we consider these to be our critical accounting policies and estimates. Our management has discussed the development and selection of these critical accounting estimates with the Audit & Finance Committee of our Board of Directors. There have been no material changes to our significant accounting policies or critical accounting estimates as described in our 2020 Annual Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We discussed our interest rate risk and foreign currency exchange risk in our 2020 Annual Report. There have been no material changes to these risks since that time.

Item 4. Controls and Procedures.

DISCLOSURE CONTROLS AND PROCEDURES

For the purposes of the Exchange Act, our Chief Executive Officer, Erik B. Nordstrom, serves as our principal executive officer and our Chief Financial Officer, Anne L. Bramman, is our principal financial officer.

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we have performed an evaluation of the design and effectiveness of our disclosure controls and procedures as of the last day of the period covered by this report.

Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) under the Exchange Act as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified within the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject from time to time to various claims and lawsuits arising in the ordinary course of business, including lawsuits alleging violations of state and/or federal wage and hour and other employment laws, privacy and other consumer-based claims. Some of these lawsuits may include certified classes of litigants, or purport or may be determined to be class or collective actions and seek substantial damages or injunctive relief, or both, and some may remain unresolved for several years. We believe the recorded accruals in our Condensed Consolidated Financial Statements are adequate in light of the probable and estimable liabilities. As of the date of this report, we do not believe any currently identified claim, proceeding or litigation, either alone or in the aggregate, will have a material impact on our results of operations, financial position or cash flows. Since these matters are subject to inherent uncertainties, our view of them may change in the future.

Item 1A. Risk Factors.

There have been no material changes to the risk factors we discussed in our 2020 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) SHARE REPURCHASES
(Dollar and share amounts in millions, except per share amounts)

In August 2018, our Board of Directors authorized a program to repurchase up to $1,500 of our outstanding common stock, with no expiration date. As a result of uncertainties from COVID-19 impacts, we repurchased no shares of common stock during the second quarter of 2021 and we had $707 remaining in share repurchase capacity as of July 31, 2021. The actual timing, price, manner and amounts of future share repurchases, if any, will be subject to the discretion of the Board of Directors, contractual commitments, market and economic conditions and applicable SEC rules.

Item 6. Exhibits.

(a) The information required under this item is incorporated herein by reference or filed or furnished as part of this report at:

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Nordstrom, Inc. and Subsidiaries Exhibit Index	27

All other exhibits are omitted because they are not applicable, not required or because the information required has been given as part of this report.

NORDSTROM, INC.
Exhibit Index

	Exhibit	Method of Filing
4.1	Indenture dated December 3, 2007, between the Company and Wells Fargo Bank, National Association	Incorporated by reference from the Registrant's Form S-4/A filed on April 29, 2014, Exhibit 4.1
4.2	Form of 2.300% Global Note due 2024	Filed herewith electronically
4.3	Form of 4.250% Global Note due 2031	Filed herewith electronically
4.4	Registration Rights Agreement, dated as of April 8, 2021	Incorporated by reference from the Registrant's Form S-4 filed on June 4, 2021
31.1	Certification of Chief Executive Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
31.2	Certification of Chief Financial Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith electronically
101.INS	Inline XBRL Instance Document	Filed herewith electronically
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith electronically
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith electronically
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith electronically
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith electronically
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith electronically
104	Cover Page Interactive Data File (Inline XBRL)	Filed herewith electronically

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NORDSTROM, INC.
(Registrant)

/s/ Anne L. Bramman
Anne L. Bramman
Chief Financial Officer
(Principal Financial Officer)

Date: September 3, 2021

Exhibit 4.2

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR INDIVIDUAL SECURITIES REGISTERED IN THE NAMES OF PARTICIPANTS IN DTC, THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

THIS NOTE IS HELD BY THE DEPOSITORY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO ANNEX A TO THE OFFICERS’ CERTIFICATE DATED APRIL 8, 2021 ESTABLISHING THE NOTES (THE “OFFICERS’ CERTIFICATE”), (2) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO ANNEX A TO THE OFFICERS’ CERTIFICATE, (3) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 3.9 OF THE INDENTURE AND (4) THIS GLOBAL SECURITY MAY BE DELIVERED TO A SUCCESSOR DEPOSITORY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

NORDSTROM, INC.

2.300% Senior Note due 2024

No. R-1 Principal Amount

CUSIP No. 655664 AX8 $250,000,000
ISIN No. US655664AX82

Nordstrom, Inc., a Washington corporation (hereinafter called the "Company," which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of TWO HUNDRED FIFTY MILLION U.S. Dollars (U.S. $250,000,000) on April 8, 2024 and to pay (1) interest thereon at the rate of 2.300% per annum from April 8, 2021, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal hereof is paid or duly made available for payment and (2) Additional Interest, if any, thereon pursuant to Section 2(c) of the Registration Rights Agreement referred to below. The Company shall pay interest and Additional Interest, if any, semi-annually on April 8 and October 8 of each year (each an "Interest Payment Date"), commencing October 8, 2021. The interest and Additional Interest, if any, so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be March 23 or September 23 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest and Additional Interest, if any, which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the registered Holder hereof on the relevant Regular Record Date by virtue of having been such Holder, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Company, notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and the interest and Additional Interest, if any, on this Note will be made at the office of the Trustee (as defined below) at Wells Fargo Bank, National Association, Wells Fargo Bank, National Association, 600 South 4th Street, 7th Floor, MAC , N9300-070, Minneapolis, MN 55415 Corporate Trust Operations., in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company, interest and Additional Interest, if any, may be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, *provided, further*, that payment to DTC or any successor depositary may be made by wire transfer to the account designated by DTC or such successor depositary in writing.

This Note is one of a duly authorized issue of securities of the Company (herein called the “Notes”), issued and to be issued in one or more series under an Indenture, dated as of December 3, 2007 (herein called, together with all indentures supplemental thereto, the “Indenture”) between the Company and Wells Fargo Bank, National Association, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof, issuable in an unlimited (subject to exceptions provided in the Indenture) aggregate principal amount as specified in the Officers’ Certificate dated April 8, 2021 (the “Officers’ Certificate”) establishing the terms of the Notes pursuant to the Indenture. Exchange Notes (as such term is defined in the Officers’ Certificate) shall be deemed to be of the same series as the Notes for purposes of the Indenture.

In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Securities will have all the rights set forth in the Registration Rights Agreement dated as of April 8, 2021 among the Company and the other parties named on the signature pages thereof.

Prior to the Par Call Date, this Note will be redeemable at the Company’s option, at any time in whole or form time to time in part, at a redemption price equal to the greater of: (i) 100% of the principal amount of the Notes to be redeemed; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (assuming that the Notes matured on the Par Call Date) not including any portion of such payments of interest accrued as of the date of redemption, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 30 basis points, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to, but not including, the date of redemption.

In addition, at any time on or after the Par Call Date, this Note will be redeemable at the Company’s option, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest and Additional Interest, if any, thereon to, but not including, the date of redemption.

For purposes of the immediately preceding paragraph, the following defined terms shall have the meanings specified:

“Comparable Treasury Issue” means, the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term (as measured from the date of redemption) of the series of the Notes to be redeemed (assuming that the Notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes (assuming that the Notes matured on the Par Call Date).

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of three Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than
five such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

“Par Call Date” means April 8, 2022.

“Quotation Agent” means any Reference Treasury Dealer appointed by the Company.
“Reference Treasury Dealer” means each of Wells Fargo Securities, LLC and Goldman Sachs & Co. LLC, and three other Primary Treasury Dealers (as defined below) selected by the Company (or their respective affiliates that are Primary Treasury Dealers) and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Company will substitute therefor another Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date for the Notes, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Notwithstanding the foregoing, installments of interest and Additional Interest, if any, on this Note that are due and payable on Interest Payment Dates falling on or prior to a redemption date will be payable on the Interest Payment Date to the registered Holder hereof as of the close of business on the relevant Regular Record Date.

Notice of any redemption will be mailed at least 15 days, but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed by the Company or by the Trustee on behalf of the Company. Notwithstanding the immediately preceding sentence, that notice of redemption may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Notes.

Unless the Company defaults in payment of the redemption price, on and after the redemption date, interest and Additional Interest, if any, will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected by the Trustee by lot in accordance with the procedures of The Depository Trust Company (“DTC”).

Any redemption may, at the Company's option, be subject to one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, the notice related to such redemption shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all of such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. The Company shall provide written notice to the Trustee prior to the close of business two Business Days prior to the redemption date if any such redemption has been rescinded or delayed, and upon receipt the Trustee shall provide such notice to each Holder of the notes in the same manner in which the notice of redemption was given.

If a Change of Control Repurchase Event (as defined below) occurs, unless the Company has exercised its right to redeem the Notes as described above, the Company will make an offer to each Holder of Notes to repurchase all or any part (no Note of a principal amount of $2,000 or less will be repurchased in part) of that Holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes to be repurchased plus any accrued and unpaid interest and Additional Interest, if any, on such Notes to, but not including, the date of purchase.

Within 30 days following any Change of Control Repurchase Event or, at the Company's option, prior to any Change of Control (as defined below), but after the public announcement of an impending Change of Control, the Company will mail or send electronically a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Company will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Repurchase Event purchase date, the Company will, to the extent lawful:

(i) accept for payment all Notes or portions of Notes (in integral multiples of $1,000) properly tendered pursuant to its offer;

(ii) no later than 11:00 a.m. New York City time, deposit with the Paying Agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officers' Certificate stating the aggregate principal amount of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided*, that each new Note will be in a minimum principal amount of $2,000 and integral multiples of $1,000 in excess thereof.

If Holders of not less than 90% in aggregate principal amount of the Notes at the time outstanding validly tender and do not withdraw such Notes in an offer to repurchase the Notes upon a Change of Control Repurchase Event and the Company, or any other Person making such an offer in lieu of the Company, purchase all of the Notes validly tendered and not withdrawn by such Holders, the Company will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase upon a Change of Control Repurchase Event, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the aggregate principal amount thereof, plus any accrued and unpaid interest on such Notes to, but not including, the date of redemption.

The Company will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

"Below Investment Grade Rating Event" means the ratings on the Notes are lowered by each of the Rating Agencies and the Notes are rated below Investment Grade by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if any of the Rating Agencies making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the Company's properties or assets and those of the Company's subsidiaries taken as a whole to any "person" or "group" (as that term is used in Section 13(d)(3) of the Exchange Act), other than the Company or one of its subsidiaries; (2) the adoption of a plan relating to the Company's liquidation or dissolution; (3) the consummation of any transaction or series of related transactions (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as that term is used in Section 13(d)(3) of the Exchange Act), other than the Company or any of its wholly-owned subsidiaries, becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of its Voting Stock, measured by voting power rather than number of shares; or (4) the first day on which a majority of the members of the Company's Board of Directors are not Continuing Directors.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Continuing Directors" means, as of any date of determination, any member of the Company's Board of Directors who (1) was a member of such Board of Directors on the date of the issuance of the Notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of the Company's proxy statement in which such member was named as a nominee for election as a director).

"Fitch" means Fitch Ratings Limited, and any successor to its rating agency business.

"Investment Grade" means a rating of BBB- or better by Fitch (or its equivalent under any successor rating categories of Fitch), Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's) and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service Inc., and any successor to its rating agency business.

"Rating Agency" means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by the Company as a replacement agency for Fitch, Moody's or S&P, as the case may be.

"S&P" means S&P Global Ratings, a division of S&P Global, Inc. and any successor to its rating agency business.

"Voting Stock" means, with respect to any person, capital stock of any class or kind the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such person, even if the right so to vote has been suspended by the happening of such a contingency.

The Notes are not subject to any sinking fund.

The Indenture contains provisions for Defeasance at any time of the entire indebtedness of this Note or certain restrictive covenants and Events of Default with respect to this Note, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest and Additional Interest, if any, on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in a form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Subject to certain limitations therein set forth in the Indenture and in this Note, the Notes are exchangeable for a like aggregate principal amount of Notes of this series in different authorized denominations, as requested by the Holders surrendering the same.

No service charge by the Company shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith, other than in certain cases provided in the Indenture. The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company may be released from its obligation under specified covenants and agreements in the Indenture, in each case if the Company irrevocably deposits with the Trustee money or U.S. Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes of this series, and satisfies certain other conditions, all as more fully provided in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee under the Indenture by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefits under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

NORDSTROM, INC.

[Seal]

Attest:________________________________	By: _________________________________
Name: Title:	Name: Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as Trustee

By:____

Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common UNIF GIFT MIN ACT -

Custodian

(Cust) (Minor)

Under Uniform Gifts to Minor Act

(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please insert Social Security or other identifying

number of Assignee)

(Please print or typewrite name and address including postal zip code of Assignee) the within Note of NORDSTROM, INC. and does hereby irrevocably constitute and appoint ________________________________attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

Dated:____________________   ____________________

[NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE SECURITY*

The following exchanges of a part of this Global Security for an interest in another Global Security or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Security, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR INDIVIDUAL SECURITIES REGISTERED IN THE NAMES OF PARTICIPANTS IN DTC, THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY DTC OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

THIS NOTE IS HELD BY THE DEPOSITORY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (1) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO ANNEX A TO THE OFFICERS' CERTIFICATE DATED APRIL 8, 2021 ESTABLISHING THE NOTES (THE "OFFICERS' CERTIFICATE"), (2) THIS GLOBAL SECURITY MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO ANNEX A TO THE OFFICERS' CERTIFICATE, (3) THIS GLOBAL SECURITY MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 3.9 OF THE INDENTURE AND (4) THIS GLOBAL SECURITY MAY BE DELIVERED TO A SUCCESSOR DEPOSITORY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

NORDSTROM, INC.

4.250% Senior Note due 2031

No. R-1 Principal Amount

CUSIP No. 655664 AY6 $424,560,000
ISIN No. US655664AY65

Nordstrom, Inc., a Washington corporation (hereinafter called the “Company,” which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of FOUR HUNDRED TWENTY FOUR MILLION FIVE HUNDRED SIXTY THOUSAND U.S. Dollars (U.S. $424,560,000) on August 1, 2031 and to pay (1) interest thereon at the rate of 4.250% per annum from April 8, 2021, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal hereof is paid or duly made available for payment and (2) Additional Interest, if any, thereon pursuant to Section 2(c) of the Registration Rights Agreement referred to below. The Company shall pay interest and Additional Interest, if any, semi-annually on February 1 and August 1 of each year (each an “Interest Payment Date”), commencing August 1, 2021. The interest and Additional Interest, if any, so payable and punctually paid or duly provided for on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 or July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest and Additional Interest, if any, which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the registered Holder hereof on the relevant Regular Record Date by virtue of having been such Holder, and may be paid to the Person in whose name this Note (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Company, notice whereof shall be given to Holders of Notes of this series not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and the interest and Additional Interest, if any, on this Note will be made at the office of the Trustee (as defined below) at Wells Fargo Bank, National Association, Wells Fargo Bank, National Association, 600 South 4th Street, 7th Floor, MAC , N9300-070, Minneapolis, MN 55415 Corporate Trust Operations., in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company, interest and Additional Interest, if any, may be paid by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, *provided*, *further*, that payment to DTC or any successor depositary may be made by wire transfer to the account designated by DTC or such successor depositary in writing.

This Note is one of a duly authorized issue of securities of the Company (herein called the "Notes"), issued and to be issued in one or more series under an Indenture, dated as of December 3, 2007 (herein called, together with all indentures supplemental thereto, the "Indenture") between the Company and Wells Fargo Bank, National Association, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and delivered. This Note is one of the series designated on the face hereof, issuable in an unlimited (subject to exceptions provided in the Indenture) aggregate principal amount as specified in the Officers' Certificate dated April 8, 2021 (the "Officers' Certificate") establishing the terms of the Notes pursuant to the Indenture. Exchange Notes (as such term is defined in the Officers' Certificate) shall be deemed to be of the same series as the Notes for purposes of the Indenture.

In addition to the rights provided to Holders of Notes under the Indenture, Holders of Restricted Global Securities will have all the rights set forth in the Registration Rights Agreement dated as of April 8, 2021 among the Company and the other parties named on the signature pages thereof.

Prior to the Par Call Date, this Note will be redeemable at the Company's option, at any time in whole or form time to time in part, at a redemption price equal to the greater of: (i) 100% of the principal amount of the Notes to be redeemed; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (assuming that the Notes matured on the Par Call Date) not including any portion of such payments of interest accrued as of the date of redemption, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus 40 basis points, plus, in each case, accrued and unpaid interest and Additional Interest, if any, thereon to, but not including, the date of redemption.

In addition, at any time on or after the Par Call Date, this Note will be redeemable at the Company's option, at any time in whole or from time to time in part, at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest and Additional Interest, if any, thereon to, but not including, the date of redemption.

For purposes of the immediately preceding paragraph, the following defined terms shall have the meanings specified:

"Comparable Treasury Issue" means, the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term (as measured from the date of redemption) of the series of the Notes to be redeemed (assuming that the Notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes (assuming that the Notes matured on the Par Call Date).

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of three Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

“Par Call Date” means May 1, 2031.

“Quotation Agent” means any Reference Treasury Dealer appointed by the Company.
“Reference Treasury Dealer” means each of Wells Fargo Securities, LLC and Goldman Sachs & Co. LLC, and three other Primary Treasury Dealers (as defined below) selected by the Company (or their respective affiliates that are Primary Treasury Dealers) and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a “Primary Treasury Dealer”), the Company will substitute therefor another Primary Treasury Dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Treasury Rate” means, with respect to any redemption date for the Notes, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Notwithstanding the foregoing, installments of interest and Additional Interest, if any, on this Note that are due and payable on Interest Payment Dates falling on or prior to a redemption date will be payable on the Interest Payment Date to the registered Holder hereof as of the close of business on the relevant Regular Record Date.

Notice of any redemption will be mailed at least 15 days, but not more than 60 days before the redemption date to each Holder of the Notes to be redeemed by the Company or by the Trustee on behalf of the Company. Notwithstanding the immediately preceding sentence, that notice of redemption may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Notes.

Unless the Company defaults in payment of the redemption price, on and after the redemption date, interest and Additional Interest, if any, will cease to accrue on the Notes or portions thereof called for redemption. If less than all of the Notes are to be redeemed, the Notes to be redeemed shall be selected by the Trustee by lot in accordance with the procedures of The Depository Trust Company (“DTC”).

Any redemption may, at the Company's option, be subject to one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, the notice related to such redemption shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all of such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. The Company shall provide written notice to the Trustee prior to the close of business two Business Days prior to the redemption date if any such redemption has been rescinded or delayed, and upon receipt the Trustee shall provide such notice to each Holder of the notes in the same manner in which the notice of redemption was given.

If a Change of Control Repurchase Event (as defined below) occurs, unless the Company has exercised its right to redeem the Notes as described above, the Company will make an offer to each Holder of Notes to repurchase all or any part (no Note of a principal amount of $2,000 or less will be repurchased in part) of that Holder's Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of Notes to be repurchased plus any accrued and unpaid interest and Additional Interest, if any, on such Notes to, but not including, the date of purchase.

Within 30 days following any Change of Control Repurchase Event or, at the Company's option, prior to any Change of Control (as defined below), but after the public announcement of an impending Change of Control, the Company will mail or send electronically a notice to each Holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice, which date will be no earlier than 15 days and no later than 60 days from the date such notice is sent. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

The Company will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended, and any other securities laws and regulations thereunder, to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Repurchase Event provisions of the Notes by virtue of such conflict.

On the Change of Control Repurchase Event purchase date, the Company will, to the extent lawful:

(i) accept for payment all Notes or portions of Notes (in integral multiples of $1,000) properly tendered pursuant to its offer;

(ii) no later than 11:00 a.m. New York City time, deposit with the Paying Agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officers' Certificate stating the aggregate principal amount of Notes being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Notes properly tendered the purchase price for the Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder a new Note equal in principal amount to any unpurchased portion of any Notes surrendered; *provided*, that each new Note will be in a minimum principal amount of $2,000 and integral multiples of $1,000 in excess thereof.

If Holders of not less than 90% in aggregate principal amount of the Notes at the time outstanding validly tender and do not withdraw such Notes in an offer to repurchase the Notes upon a Change of Control Repurchase Event and the Company, or any other Person making such an offer in lieu of the Company, purchase all of the Notes validly tendered and not withdrawn by such Holders, the Company will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase upon a Change of Control Repurchase Event, to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the aggregate principal amount thereof, plus any accrued and unpaid interest on such Notes to, but not including, the date of redemption.

The Company will not be required to make an offer to repurchase the Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under its offer.

"<u>Below Investment Grade Rating Event</u>" means the ratings on the Notes are lowered by each of the Rating Agencies and the Notes are rated below Investment Grade by each of the Rating Agencies on any date from the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); *provided* that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if any of the Rating Agencies making the reduction in rating to which this definition would otherwise apply does not announce or publicly confirm or inform the Trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

"Change of Control" means the occurrence of any of the following: (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the Company's properties or assets and those of the Company's subsidiaries taken as a whole to any "person" or "group" (as that term is used in Section 13(d)(3) of the Exchange Act), other than the Company or one of its subsidiaries; (2) the adoption of a plan relating to the Company's liquidation or dissolution; (3) the consummation of any transaction or series of related transactions (including, without limitation, any merger or consolidation) the result of which is that any "person" or "group" (as that term is used in Section 13(d)(3) of the Exchange Act), other than the Company or any of its wholly-owned subsidiaries, becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of shares of its Voting Stock, measured by voting power rather than number of shares; or (4) the first day on which a majority of the members of the Company's Board of Directors are not Continuing Directors.

"Change of Control Repurchase Event" means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

"Continuing Directors" means, as of any date of determination, any member of the Company's Board of Directors who (1) was a member of such Board of Directors on the date of the issuance of the Notes; or (2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of the Company's proxy statement in which such member was named as a nominee for election as a director).

"Fitch" means Fitch Ratings Limited, and any successor to its rating agency business.

"Investment Grade" means a rating of BBB- or better by Fitch (or its equivalent under any successor rating categories of Fitch), Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's) and BBB- or better by S&P (or its equivalent under any successor rating categories of S&P) or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service Inc., and any successor to its rating agency business.

"Rating Agency" means (1) each of Fitch, Moody's and S&P; and (2) if any of Fitch, Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by the Company as a replacement agency for Fitch, Moody's or S&P, as the case may be.

"S&P" means S&P Global Ratings, a division of S&P Global, Inc. and any successor to its rating agency business.

“Voting Stock” means, with respect to any person, capital stock of any class or kind the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such person, even if the right so to vote has been suspended by the happening of such a contingency.

The Notes are not subject to any sinking fund.

The Indenture contains provisions for Defeasance at any time of the entire indebtedness of this Note or certain restrictive covenants and Events of Default with respect to this Note, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series affected thereby. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest and Additional Interest, if any, on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

As provided in the Indenture and subject to certain limitations set forth therein, the transfer of this Note may be registered in the Security Register, upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Note are payable, duly endorsed by, or accompanied by a written instrument of transfer in a form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess thereof. Subject to certain limitations therein set forth in the Indenture and in this Note, the Notes are exchangeable for a like aggregate principal amount of Notes of this series in different authorized denominations, as requested by the Holders surrendering the same.

No service charge by the Company shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith, other than in certain cases provided in the Indenture. The transferor shall also provide or cause to be provided to the Trustee all information necessary to allow the trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture contains provisions whereby (i) the Company may be discharged from its obligations with respect to the Notes (subject to certain exceptions) or (ii) the Company may be released from its obligation under specified covenants and agreements in the Indenture, in each case if the Company irrevocably deposits with the Trustee money or U.S. Government Obligations sufficient to pay and discharge the entire indebtedness on all Notes of this series, and satisfies certain other conditions, all as more fully provided in the Indenture.

This Note shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

Unless the certificate of authentication hereon has been executed by or on behalf of the Trustee under the Indenture by the manual signature of one of its authorized signatories, this Note shall not be entitled to any benefits under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

NORDSTROM, INC.

[Seal]

Attest:_________________________________	By:_________________________________
Name: Title:	Name: Title:

TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as Trustee

By: ____ Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common UNIF GIFT MIN ACT -

Custodian

(Cust) (Minor)

Under Uniform Gifts to Minor Act

(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s) unto

(Please insert Social Security or other identifying

number of Assignee)

(Please print or typewrite name and address including postal zip code of Assignee) the within Note of NORDSTROM, INC. and does hereby irrevocably constitute and appoint ________________________________attorney to transfer the said Note on the books of the Company, with full power of substitution in the premises.

Dated:____________________ ____________________

[NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE SECURITY*

The following exchanges of a part of this Global Security for an interest in another Global Security or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Security, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Security	Amount of increase in Principal Amount of this Global Security	Principal Amount of this Global Security following such decrease (or increase)	Signature of authorized officer of Trustee or Custodian

Exhibit 31.1

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Erik B. Nordstrom, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: September 3, 2021

/s/ Erik B. Nordstrom
Erik B. Nordstrom
Chief Executive Officer of Nordstrom, Inc.

Exhibit 31.2

Certification required by Section 302(a) of the Sarbanes-Oxley Act of 2002

I, Anne L. Bramman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nordstrom, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2021

/s/ Anne L. Bramman
Anne L. Bramman
Chief Financial Officer of Nordstrom, Inc.

Exhibit 32.1

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Nordstrom, Inc. (the “Company”) on Form 10-Q for the period ended July 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Erik B. Nordstrom, Chief Executive Officer (Principal Executive Officer), and Anne L. Bramman, Chief Financial Officer (Principal Financial Officer), of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 3, 2021

/s/ Erik B. Nordstrom
Erik B. Nordstrom
Chief Executive Officer of Nordstrom, Inc.

/s/ Anne L. Bramman
Anne L. Bramman
Chief Financial Officer of Nordstrom, Inc.

A signed original of this written statement required by Section 906 has been provided to Nordstrom, Inc. and will be retained by Nordstrom, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.