

Executive Vice President	\$ 637,500	20,492	4,098	\$450,000
Erik B. Nordstrom				
Executive Vice President	\$ 637,500	20,492	4,098	\$450,000
Michael G. Koppel				
Executive Vice President and Chief Financial Officer	\$ 570,605	18,563	3,713	\$410,000
James O'Neal				
Executive Vice President	\$ 548,494	15,077	3,015	\$385,000

(1) The 2004 cash bonuses were determined based on the achievement of pre-established performance measures set by the Compensation Committee under the shareholder approved Nordstrom, Inc. Executive Management Group Bonus Plan. The normal form of bonus payments is cash. However, the Committee may either (a) pay, or (b) allow a participant to elect to receive, all or a portion of their bonus in the form of Company stock. The number of shares of Company stock to be received by the participant is based on the fair market value of the Company's Common Stock on January 29, 2005 (\$47.60), the last day of the 2004 fiscal year.

(2) Stock options were granted pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan"). Stock option grants have a term of ten years with an exercise price of \$52.02, and vesting occurs at the rate of 25% annually beginning one year from the date of grant. The form of Notice of Stock Option Grant and of Stock Option Agreement is attached hereto as Exhibit 10.1.

(3) Performance Share Units (PSUs) are awarded pursuant to the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan. PSUs entitle the participant to

settle in shares of Company Common Stock or cash in lieu thereof upon the achievement of such performance goals as may be established by the Compensation Committee at the time of grant based on any one or combination of certain performance criteria enumerated in the Plan. 2005-2008 PSUs are earned over a three-year period. The percentage of PSUs granted that will actually be earned at the end of the three-year period is based upon the Company's total shareholder return compared to the total shareholder return of companies in a pre-defined group of retail peers. Additionally, PSUs will only be earned if the Company's total shareholder return for the period is positive. The form of 2005-08 Performance Share Unit Notice and Award Agreement is attached hereto as Exhibit 10.2.

(4) Represents Named Executive Officers' base salaries effective April 1, 2005 set by the Compensation Committee on February 23, 2005.

Lead Director Compensation

On February 23, 2005, the Company's Corporate Governance and Nominating Committee approved the compensation arrangement for the Lead Director, Enrique Hernandez Jr. for the fiscal year ending January 28, 2006. For his continued service as Lead Director, and in addition to the normal director and committee member retainers, Mr. Hernandez will receive Nordstrom, Inc. shares worth \$200,000 based upon the closing price of the Company's common stock on February 23, 2005 (\$52.02). Per Mr. Hernandez's election for his 2005 Director compensation, all cash fees and stock are to be deferred to his Director Deferred Compensation Plan ("DDCP") account. As such, 3,845 shares of stock will be credited to his DDCP account as stock units. These stock units will be indexed against Company stock while in the plan and will be distributed to Mr. Hernandez as shares of common stock of the Company upon retirement or through pre-determined in-service distributions. Attached hereto as Exhibit 99.2 is a Summary of Lead Director Compensation.

ITEM 5.02(B) AND 5.02(C) DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On February 23, 2005, the Board of Directors approved the appointment of Peter F. Collins as the Company's Principal Accounting Officer, effective immediately. Mr. Collins will be assuming the duties of Principal Accounting Officer from Michael Koppel who will remain as Executive Vice President and Chief Financial Officer of the Company. Mr. Collins will be responsible for all aspects of the Company's accounting and financial reporting.

Mr. Collins has served as the Company's Divisional Vice President/Corporate Controller since April 2004. From July 2002 to March 2004, Mr. Collins was employed at Albertson's, Inc. first as Group Vice President - Corporate Accounting and Reporting, and from January 2003 as Group Vice President and Controller. Mr. Collins has also served in various positions within Arthur Andersen LLP from 1986 through 2002, including partner from 1998 through 2002.

The terms of his existing employment arrangement with the Company, terminable at-will, include an annual base salary of \$270,000. Upon hire in April 2004, Mr. Collins received a grant of 10,000 non-qualified stock options with an exercise price equal to the closing price of the Company's common stock on May 24, 2004 (\$39.84). Those options will vest equally over four years. In May 2004, Mr. Collins also received 5,000 restricted common shares, which

will vest equally over three years. Mr. Collins will continue to be eligible to participate in the Company's various benefit plans and programs generally available to other executives of the Company.

ITEM 8.01 OTHER EVENTS

On February 24, 2005, Nordstrom, Inc. issued a press release announcing that its Board of Directors has authorized a \$500 million share repurchase program. The prior \$300 million authorization was completed during the fourth quarter of 2004. The shares are expected to be acquired through open market transactions during the next 24 to 36 months. The actual number and timing of share repurchases will be subject to market conditions and applicable SEC rules. A copy of this press release is attached as Exhibit 99.1. Nordstrom has adopted a pre-arranged stock trading plan that is intended to follow the guidelines specified under Rule 10b5-1 of the Securities Exchange Act of 1934, as amended, to effect at least part of the repurchases under the share repurchase program.

SIGNATURE

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 hereunto duly authorized.

NORDSTROM, INC.

By: /s/ David L. Mackie

David L. Mackie
Vice President, Real Estate
and Corporate Secretary

Dated: March 1, 2005

EXHIBIT INDEX

EXHIBIT
NUMBER

DESCRIPTION

- 10.1 Form of Notice of Stock Option Grant and Stock Option Agreement under the Nordstrom, Inc. 2004 Equity Incentive Plan
- 10.2 Form of 2005 Performance Share Unit Notice and Performance Share Unit Award Agreement
- 10.3 Nordstrom, Inc. 2004 Equity Incentive Plan, incorporated by reference to Registrant's definitive proxy statement filed with the Commission on April 15, 2004.
- 99.1 Nordstrom, Inc.'s press release dated February 24, 2005 announcing that its Board of Directors authorized a \$500 million share repurchase program.
- 99.2 Summary of Lead Director Compensation

Nordstrom, Inc.

Notice of Grant of Stock Options

First Name, Last Name

ID:
Grant No:

On _____, you were awarded non-qualified stock options under the Nordstrom, Inc. 2004 Equity Incentive Plan to purchase _____ shares of Nordstrom, Inc. stock at _____ per share.

Your grant will vest over the four-year vesting period as outlined below:

Shares	Vest Date	Expiration
_____	2/23/2006	2/23/2015
_____	2/23/2007	2/23/2015
_____	2/23/2008	2/23/2015
_____	2/23/2009	2/23/2015

Please keep this Notice for your records.

If you have any questions about your grant, please call Nordstrom Leadership Benefits at (206) 303-5855, tie line 8-805-5855 or e-mail leadership.benefits@nordstrom.com.

A NONQUALIFIED STOCK OPTION GRANT for the number of shares of Common Stock (hereinafter the "Option") as noted in your Notice of Grant of Stock Options, of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the "Optionee." The option price is as noted in your Notice of Grant of Stock Options and was determined as provided in, and is subjected to, the terms of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Company and supported by its shareholders, which is incorporated in this agreement. To the extent inconsistent with this agreement, the terms of the Plan shall govern. The Compensation Committee of the Board has the discretionary authority to construe and interpret the Plan and this Agreement. The Option is subject to the following:

1. OPTION PRICE

The option price is one hundred percent (100%) of the fair market value of the Company's Common Stock, as determined by the closing price of the Company's Common Stock on the New York Stock Exchange on the date of the grant (as indicated in your notice).

2. VESTING AND EXERCISING OF OPTION

Except as set forth in Section 4, the Option shall vest and be exercisable in accordance with the provisions of the Plan as follows:

(a) Schedule of Vesting and Rights to Exercise.

Years of Continuous Service Following Grant of Option	Percent of Option Vested
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After 1 year	25%
After 2 years	50%
After 3 years	75%
After 4 years	100%

(b) Method of Exercise. The Option shall be exercisable (only to the extent vested) by a written notice that shall:

(i) state the election to exercise the Option, the number of shares, the total option price, and the name, address and Social Security number of the Optionee;

(ii) be signed by the person entitled to exercise the Option; and

(iii) be in writing and delivered to Nordstrom Leadership Benefits (either directly or through a stock broker).

The Company has made arrangements with a broker for stock option management and exercises. Procedures for management and exercises shall be disseminated to the Optionee with the agreement.

Payment of the purchase price of any shares with respect to which an Option is being exercised shall be by check or bank wire transfer, by means of the surrender of shares of Common Stock previously held for at least six months by Optionee, or where not acquired by Optionee by exercising a stock option, having a fair market value at least equal to the exercise price, or by giving an irrevocable direction for a securities broker approved by the Company to sell all or part of your Option shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the option exercise price and any withholding taxes. (The balance of the sale proceeds,

if any, will be delivered to you.)

The certificate(s) or shares of Common Stock as to which the Option shall be exercised shall be registered in the name of the person(s) exercising the Option unless another person is specified. An Option hereunder may not at any time be exercised for a fractional number of shares.

(c) Restrictions on Exercise. These Options may not be exercised if the issuance of the shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation. As a condition to the exercise of these Options, the Company may require the person exercising the Options to make any representation and warranty to the Company as the Company's counsel advises and as may be required by the Company or by any applicable law or regulation.

3. NONTRANSFERABILITY OF OPTIONS

The Option may not be sold, pledged, assigned or transferred in any manner otherwise than by will or the laws of descent and distribution and, except as set forth in Section 4 below, may be exercised during the lifetime of the Optionee only by the Optionee or by the guardian or legal representative of the Optionee. The terms of the Option shall be binding upon the executors, administrators, heirs and successors of the Optionee.

4. TERMINATION OF EMPLOYMENT

Except as set forth below, a vested Option may only be exercised while the Optionee is an employee of the Company. If an Optionee's employment is terminated, the Optionee or his or her legal representative shall have the right to exercise the Option after such termination as follows:

(a) If the Optionee dies while employed by the Company, the persons to whom the Optionee's rights have passed by will or the laws of descent and distribution may exercise such rights. If the Option was granted at least six months prior to death of the Optionee while employed by the Company, it shall continue to vest and may be exercised during the period ending four years after the Optionee's death, but in no event later than ten years after the date of grant. If the Option was granted less than six months prior to death, such Option shall be terminated as of that date.

(b) If the Optionee's employment is terminated due to his or her embezzlement or theft of Company funds, defraudation of the Company, violation of Company rules, regulations or policies, or any intentional act that harms the Company, such Option, to the extent not exercised as of the date of termination, shall be terminated as of that date.

(c) If the Optionee is separated due to disability, as defined in Section 22(e)(3) of the Internal Revenue Code, the Option, if granted at least six months prior to such separation, shall continue to vest and may be exercised during the period ending four years after separation, but in no event later than 10 years after the date

of grant. If the Option was granted less than six months prior to disability, such Option shall be terminated as of that date.

(d) If the Optionee is separated due to retirement between the ages of 53 and 57 with 10 continuous years of service to the Company or upon attaining age 58, the Option, if granted at least six months prior to such retirement, shall continue to vest and may be exercised during the period ending four years after separation, but in no event later than ten years after the date of grant. If the Option was granted less than six months prior to retirement, such Option shall be terminated as of that date.

(e) If the Optionee is separated for any reason other than those set forth in subparagraphs (a), (b), (c) and (d) above, the Optionee may exercise his or her Option, to the extent vested as of the date of his or her separation, within 100 days after separation, but in no event later than 10 years after the date of grant.

5. TERM OF OPTIONS

The Option may not be exercised more than 10 years from the date of original grant of these Options and the vested portion of such option may be exercised during such term only in accordance with the Plan and the terms of this Option.

6. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Company stock subject to this Option shall be appropriately adjusted, pursuant to the Plan, along with a corresponding adjustment in the option price to reflect any stock dividend, stock split, split-up or any combination or exchange of shares, however accomplished.

7. ADDITIONAL OPTIONS

The Nordstrom Compensation Committee of the Board of Directors may or may not grant you additional stock options in the future. Nothing in this Option or any future grant should be construed as suggesting that additional grants of options to you will be forthcoming.

8. LEAVES OF ABSENCE AND PART TIME WORK

For purposes of this Option, your service does not terminate when you go on a military leave, a sick leave or another bona fide leave of absence if the leave was approved by the Company in writing and if continued crediting of service is required by the terms of the leave or by applicable law. But your service terminates when the approved leave ends unless you immediately return to active work.

If you go on a leave of absence, then the vesting schedule specified in the Notice of Grant of Stock Options may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave.

9. TAX WITHHOLDING

In the event that the Company determines that it is required to withhold any tax as a result of the exercise of this Option, the Optionee, as a condition to the exercise of their Options, shall make arrangements satisfactory to the Company to

enable it to satisfy all withholding requirements.

10. RIGHTS AS A SHAREHOLDER

Neither the Optionee nor the Optionee's representative shall have any rights as a shareholder with respect to any Common Shares subject to this Option, until (i) the Optionee or the Optionee's representative becomes entitled to receive such Common Shares by filing a notice of exercise and paying the Option Price pursuant to this Option, and (ii) the Optionee or Optionee's representative has satisfied any other requirement imposed by applicable law or the Plan.

11. NO RETENTION RIGHTS

Nothing in this Option or in the Plan shall give you the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate your service at any time, with or without cause.

12. ENTIRE AGREEMENT

The Notice of Grant of Stock Options, this agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

13. CHOICE OF LAW

This agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

Notice of Award of Performance Share Units

First Name, Last Name

Employee No:
Award No:

On _____, Nordstrom, Inc. awarded _____ Performance Share Units (PSUs) to you.

Your PSUs are earned based on the Nordstrom Total Shareholder Return (TSR) relative to the performance of our retail comparator group over the three-year period ending on February 2, 2008. At the end of the three-year period, if Nordstrom TSR is a positive numbers and ranks in the top six of our comparator group, your PSUs will be earned as detailed below:

Rank	Vest %
- - - - -	- - - - -
1st	125%
2nd	125%
3rd	100%
4th	85%
5th	75%
6th	75%
7th or lower	0%

TSR results are provided to you via e-mail on a quarterly basis during the fiscal year. The TSR communication shows you how Nordstrom stock is performing in relation to our retail comparator group for each PSU grant, and the progress that has been made toward earning your PSUs.

Please keep this Notice for your records.

If you have any questions about your grant, please call Nordstrom Leadership Benefits at (206) 303-5855, tie line 8-805-5855 or e-mail leadership.benefits@nordstrom.com.

AN AWARD FOR PERFORMANCE SHARE UNITS for the number of shares of Common Stock (hereinafter the "Unit") as noted in your Notice of Award of Performance Share Units (the "Notice"), of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the "Unit holder" on the date set forth in your Notice. The Unit is subject to the terms, definitions and provisions of the Nordstrom, Inc. 2004 Equity Incentive Plan (the "Plan") adopted by the Company and approved by its shareholders, which is incorporated in this agreement. Each vested Unit is equal in value to one share of Nordstrom stock. To the extent inconsistent with this Agreement, the terms of the Plan shall govern. The Compensation Committee of the Board has the discretionary authority to construe and interpret the Plan and this Agreement. The Units are subject to the following:

1. VESTING AND SETTLEMENT OF UNITS

At the end of three fiscal years following the date of the awards ("the performance cycle"), units shall vest and be settled in accordance with the provisions of the Plan as follows:

(a) Vesting

Except as set forth in paragraph (c), Units shall vest at the applicable percentage when the Compensation Committee of the Board of certifies that (1) the Company's Total Shareholder Return (TSR) is positive, and (2) its TSR performance relative to the TSR of other companies in the comparator group exceeds the following corresponding rank on the last day of the performance cycle:

Relative Rank	Percent of Units Vested
1	125%
2	125%
3	100%
4	85%
5	75%
6	75%
7-12	0%

(b) Settlement

Units shall be settled upon vesting, unless the Unit holder has elected to defer the Units into the Executive Deferred Compensation Plan (EDCP). Such deferral election must be in writing, must be executed at least 12 months prior to the beginning of the Plan Year in which the Units vest, and must be irrevocable. Upon deferral, the vested Units (and their subsequent settlement and payment) shall be governed by the terms and conditions of the EDCP as that plan may be amended from time to time by the Company.

At the time of settlement, unless earlier deferred into the EDCP, the Unit holder shall elect to receive one share of Common Stock for each vested Unit or receive an equivalent amount of cash (in accordance with procedures established by the Company). The amount of cash will be determined on the basis of the market value of the Common Stock on the last day of the performance cycle, determined at the time of vesting.

(c) Withholding Taxes

No stock certificates or cash will be

distributed to the Unit holder, or amounts deferred into the EDCP, unless the Unit holder has made acceptable arrangements to pay any withholding taxes that may be due as a result of the settlement of this Award. These arrangements may include withholding shares of Common Stock that otherwise would be distributed when the Units are settled. The fair market value of these shares, determined though taxes otherwise would have been withheld in cash, will be applied to the withholding taxes.

(d) Restrictions on Resale

The Unit holder agrees not to sell any shares of the Company's stock at a time when applicable laws or Company policies prohibit a sale. This restriction will apply as long as the Unit holder is an employee, consultant or director of the Company or a subsidiary or affiliate of the Company.

2. TERMINATION OF EMPLOYMENT

Except as set forth below, Units vest and may only be settled while the Unit holder is an employee of the Company. If the Unit holder's employment is terminated, the Units shall continue to vest pursuant to the schedule set forth in subparagraph 1(a) above, and the Unit holder or his or her legal representative shall have the right to settlement of the Units after such termination only as follows:

(a) If the Unit holder dies, the persons to whom the Unit holder's rights have passed by will or the laws of descent and distribution shall be entitled to settlement of the Units. The Unit holder's beneficiary(ies) shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle based on their period of service during the term of this agreement.

(b) If the Unit holder is separated due to his or her disability, as defined in Section 22(e)(3) of the Internal Revenue Code, the Unit holder shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle based on their period of service during the term of this agreement.

(c) If the Unit holder is separated due to retirement between the ages of 53 and 57 with 10 years of service to the Company, or upon attaining age 58, the Unit holder shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle based on their period of service during the term of this agreement.

(d) If the Unit holder is separated for any reason other than those set forth in subparagraphs (a), (b) and (c) above, Units, to the extent not vested and settled as of the date of his or her separation, shall be forfeited as of that date. Notwithstanding anything above to the contrary, if during the term of this Award, the Unit holder directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, shareholder, corporate officer, director or in any other capacity, engages or assists any third party in engaging in any business competitive with the Company; divulges any confidential or proprietary information of the Company to a third party who is not authorized by the

Company to receive the confidential or proprietary information; or uses any confidential or proprietary information of the Company, then the post-separation proration of Units and settlement rights set forth above shall cease immediately, and all outstanding vested and unvested portions of the Award shall be automatically forfeited.

3. TERM

Units not certified by the Compensation Committee of the Board as having vested as of the end of the three-year performance cycle for which the units were awarded, shall be forfeited.

4. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

The number and kind of shares of Company stock subject to this Award shall be appropriately adjusted pursuant to the Plan to reflect any stock dividend, stock split, split-up or any combination or exchange of shares, however accomplished.

5. ADDITIONAL UNITS

The Committee may or may not grant you additional performance share units in the future. Nothing in this Award or any future award should be construed as suggesting that additional unit awards to you will be forthcoming.

6. RIGHTS AS A SHAREHOLDERS

Neither the Unit holder nor the Unit holder's representative shall have any rights as a shareholder with respect to any Common Shares subject to these Units, unless and until the Units vest and are settled in shares of Common Stock of the Company.

7. NO RETENTION RIGHTS

Nothing in this Agreement or in the Plan shall give you the right to be retained by the Company (or a subsidiary of the Company) as an employee or in any capacity. The Company and its subsidiaries reserve the right to terminate your service at any time, with or without cause.

8. ENTIRE AGREEMENT

The Notice of Award of Performance Share Units, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

9. CHOICE OF LAW

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Washington, as such laws are applied to contracts entered into and performed in such State.

For Immediate Release

February 24, 2005

NORDSTROM ANNOUNCES \$500 MILLION SHARE REPURCHASE PROGRAM

SEATTLE - February 24, 2005 - Nordstrom, Inc. (NYSE: JWN) today announced that its Board of Directors has authorized a \$500 million share repurchase program. The prior \$300 million authorization was completed during the fourth quarter of 2004. The shares are expected to be acquired through open market transactions during the next 24 to 36 months. The actual number and timing of share repurchases will be subject to market conditions and applicable SEC rules.

"The company just completed a record-breaking year and we are entering 2005 in a position of financial and competitive strength. This share repurchase program reflects the confidence we have in our business and our ongoing commitment to return value to shareholders," said Mike Koppel, Nordstrom Chief Financial Officer.

Nordstrom, Inc. is one of the nation's leading fashion specialty retailers, with 150 US stores located in 27 states. Founded in 1901 as a shoe store in Seattle, Nordstrom today operates 94 full-line stores, 49 Nordstrom Racks, five U.S. Faconnable boutiques, one freestanding shoe store, and one clearance store. Nordstrom also operates 31 international Faconnable boutiques, primarily in Europe. Additionally, Nordstrom Direct serves customers through its online presence at <http://www.nordstrom.com> and through its direct mail catalogs.

Certain statements in this news release contain "forward-looking" information (as defined in the Private Securities Litigation Reform Act of 1995) that involves risks and uncertainties, including anticipated results, store openings and trends in company operations. Actual future results and trends may differ materially from historical results or current expectations depending upon factors including, but not limited to, the company's ability to predict fashion trends, consumer apparel buying patterns, the company's ability to control costs, weather conditions, hazards of nature, trends in personal bankruptcies and bad debt write-offs, changes in interest rates, employee relations, the company's ability to continue its expansion plans, changes in government or regulatory requirements and the impact of economic and competitive market forces, including the impact of terrorist activity or the impact of a war on the company, its customers and the retail industry. Our SEC reports may contain other information on these and other factors that could affect our financial results and cause actual results to differ materially from any forward-looking information we may provide. The company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events, new information or future circumstances.

Investor Contact:
Stephanie Allen, 206-303-3262

Media Contact:
Deniz Anders, 206-373-3038

Nordstrom, Inc.

Summary of Lead Director Compensation

For his continued service as Lead Director during the fiscal year ending January 28, 2006, and in addition to the normal director and committee member retainers, Mr. Hernandez will receive Nordstrom, Inc. shares worth \$200,000 based upon the closing price of the Company's common stock on February 23, 2005 (\$52.02).