

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended January 31, 1998

/ / 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 0-6074

Nordstrom, Inc.

(Exact name of Registrant as specified in its charter)

Washington

91-0515058

(State or other jurisdiction of
incorporation or organization)

(IRS employer
Identification No.)

1501 Fifth Avenue, Seattle, Washington 98101

(Address of principal executive office) (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, without par value

(Title of class)

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 /X/ NO / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

1 of 15

On March 20, 1998, 74,303,996 shares of common stock were outstanding, and the aggregate market value of those shares (based upon the closing price as reported by NASDAQ) held by non-affiliates was approximately \$2.8 billion.

Documents Incorporated by Reference:

Portions of Nordstrom, Inc. 1997 Annual Report to Shareholders
(Parts I, II and IV)

2 of 15

PART I

Item 1. Business.

- - - - -

Nordstrom, Inc. (the "Company") was incorporated in the State of Washington in 1946 as successor to a retail shoe business started in 1901. As of January 31, 1998, the Company operated 65 large specialty stores in Alaska, California, Colorado, Connecticut, Illinois, Indiana, Maryland, Michigan, Minnesota, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, Utah, Virginia, and Washington, selling a wide selection of apparel, shoes and accessories for women, men and children.

The Company also operates 21 stores under the name "Nordstrom Rack" and one clearance store which serve as outlets for clearance merchandise from the Company's large specialty stores. The Racks also purchase merchandise directly from manufacturers. The Racks are located in California, Illinois, Maryland, New York, Oregon, Pennsylvania, Utah, Virginia, and Washington.

The Company also operates three specialty boutiques in New York and California under the name "Faconnable", and two free-standing shoe stores located in Hawaii. In addition, the Company operates a Direct Sales Division which commenced operations in January 1994 with the mailing of its first catalog.

In February 1998, the Company opened a large specialty store in Atlanta,

Georgia. In March 1998, the Company opened a large specialty store in Overland Park, Kansas and a new Rack store in Hillsboro, Oregon. In August 1998, the Company will open a new flagship store in downtown Seattle, Washington, and in September 1998, a large specialty store in Scottsdale, Arizona. In addition, the Company will open new Racks in Bloomington, Minnesota, in May 1998, in San Jose, California, in July 1998 and in Littleton, Colorado, in September 1998. In 1999, four new large specialty stores are planned to open in Norfolk, Virginia, Providence, Rhode Island, Mission Viejo, California, and Columbia, Maryland. The Company also plans to replace an existing store in Spokane, Washington and complete the expansion and remodeling of a store in San Diego, California in 1999.

The Company regularly employs on a full or part-time basis an average of approximately 41,000 employees. Due to the seasonal nature of the Company's business, the number increased to approximately 49,000 employees in July for the Company's anniversary sale, and in December for the Christmas selling season.

The Company's business is highly competitive. Its stores compete with other national, regional and local retail establishments within its operating areas which carry similar lines of merchandise, including department stores, specialty stores, boutiques, and mail order businesses. The Company believes the principal methods of competing in its industry include customer service, value, fashion, advertising, store location and depth of selection.

Certain other information required under Item 1 is contained within the following sections of the Company's 1997 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Management Discussion and Analysis
 Note 1 in Notes to Consolidated Financial Statements
 Note 13 in Notes to Consolidated Financial Statements
 Retail Store Facilities

3 of 15

Executive Officers of the Registrant

Name	Age	Title	Officer Since	Family Relationship

Jammie Baugh	44	Executive Vice President	1990	None
Gail A. Cottle	46	Executive Vice President	1985	None
John A. Goesling	52	Executive Vice President and Treasurer	1980	None
Jack F. Irving	53	Executive Vice President	1980	None
Robert J. Middlemas	41	Executive Vice President	1993	None
Blake W. Nordstrom	37	Co-President	1991	Brother of Erik B. and Peter E. Nordstrom
Erik B. Nordstrom	34	Co-President	1995	Brother of Blake W. and Peter E. Nordstrom
J. Daniel Nordstrom	35	Co-President	1995	Brother of William E. Nordstrom and cousin of James A. Nordstrom
James A. Nordstrom	36	Co-President	1991	Cousin of J. Daniel and William E. Nordstrom

Peter E. Nordstrom	35	Co-President	1995	Brother of Blake W. and Erik B. Nordstrom
William E. Nordstrom	34	Co-President	1995	Brother of J. Daniel Nordstrom and cousin of James A. Nordstrom
James R. O'Neal	39	Executive Vice President	1997	None
John J. Whitacre	45	Chairman of the Board of Directors	1989	None
Martha S. Wikstrom	41	Executive Vice President	1991	None

<FN>

All of the above people that have not been officers for the past five years have been full-time employees of the Company during that period. The officers are re-elected annually by the Board of Directors following each year's Annual Meeting of Shareholders. Officers serve at the discretion of the Board of Directors.

4 of 15

Item 2. Properties.

The following table summarizes at January 31, 1998 the number of stores owned or operated by the Company and the percentage of total store area represented by each listed category:

	Number of stores -----	% of total store square footage -----
Owned Stores	21	24%
Leased Stores	39	24
Owned on leased land	29	48
Partly owned & partly leased	3	4
	-----	-----
	92	100%
	=====	=====

The Company also operates seven merchandise distribution centers, five which are owned, one which is leased, and one which is owned on leased land. The Company leases its principal offices in Seattle, Washington, and owns an office building in the Denver, Colorado metropolitan area which serves as the principal offices of Nordstrom Credit, Inc. and Nordstrom National Credit Bank.

Certain other information required under this item is included in the following sections of the Company's 1997 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Note 7 in Notes to Consolidated Financial Statements
Retail Store Facilities

Item 3. Legal Proceedings.

The Company is not involved in any material pending legal proceedings, other than routine litigation in the ordinary course of business.

Item 4. Submission of Matters to a Vote of Security Holders.

None

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's Common Stock, without par value, is traded on the NASDAQ National Market under the symbol "NOBE." The approximate number of holders of Common Stock as of March 20, 1998 was 61,300.

Certain other information required under this item with respect to stock prices and dividends is included in the following sections of the Company's 1997 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Financial Highlights
Stock Trading
Consolidated Statements of Shareholders' Equity
Note 9 in Notes to Consolidated Financial Statements
Note 14 in Notes to Consolidated Financial Statements

Item 6. Selected Financial Data.

The information required under this item is included in the following section of the Company's 1997 Annual Report to Shareholders, which section is incorporated by reference herein from Exhibit 13.1 of this report:

Ten-Year Statistical Summary

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required under this item is included in the following sections of the Company's 1997 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Management Discussion and Analysis
Note 6 in Notes to Consolidated Financial Statements

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company is subject to the risk of fluctuating interest rates in the normal course of business. The Company's major market risk relates to a portion of its customer accounts receivable, which have a stated, as opposed to a floating, rate of interest. These receivables are financed through a combination of fixed and floating rate debt. The relationship between fixed and floating rate debt varies depending on market conditions.

A portion of the Company's accounts receivable has been securitized through a trust. The rate on these receivables varies with changes in the published prime rate and the funding of the trust varies with changes in commercial paper rates. The interest rate risk on these receivables is therefore relatively small.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk
(continued)

The Company does not enter into speculative derivative transactions or leveraged swap agreements. The derivative instruments that the Company owns are not held as investments, and it is the Company's intent to hold such instruments for their respective terms. Therefore, changes in their fair values will not have a significant effect on the Company's operations, cash flows or financial position.

The Company has no international operations. The Company imports for its own account merchandise for sale in its stores which amounted to approximately \$467 million in 1997. Most of this merchandise is imported under letters of credit denominated in U.S. dollars. A portion of letters of credit denominated in foreign currencies are hedged under foreign exchange forward contracts.

The table below presents principal (or notional) amounts and related weighted average interest rates by year of maturity. All items described in the table are non-trading and are stated in U.S. dollars.

In thousands	1998	1999	2000	2001	2002	Thereafter	Total	Fair Value January 31, 1998	
INTEREST RATE RISK									
ASSETS									
Short-term investments	\$ 15,690						\$ 15,690	\$ 15,690	
Average interest rate	5.6%						5.6%		
LIABILITIES									
Notes payable &									
commercial paper		263,767						263,767	263,767
Average interest rate		5.5%						5.5%	
Long-term debt - Fixed		100,505	\$58,552	\$58,211	\$11,000	\$76,750		103,975	408,993
Average interest rate		9.2%	6.9%	7.6%	8.7%	7.3%		6.7%	7.6%
Interest rate swaps -									
Variable to Fixed (notional amount)		50,000							1,621
Average pay rate		5.7%							
Average receive rate		9.6%							
Interest rate lock agreement (notional amount)		175,000							932
Average interest rates		5.8%							
FOREIGN EXCHANGE RATE RISK									
FORWARD CONTRACTS									
Contract notional amounts -									
Italian lira purchased		401							384
Average contractual exchange rate		1.737							

Item 8. Financial Statements and Supplementary Data.

The information required under this item is included in the following sections of the Company's 1997 Annual Report to Shareholders, which sections are incorporated by reference herein from Exhibit 13.1 of this report:

Consolidated Statements of Earnings
Consolidated Balance Sheets
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
Independent Auditors' Report

Item 9. Changes in and Disagreements with Accountants on Accounting and
Financial Disclosure.

None

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information required under this item with respect to the Company's
Directors and compliance with Section 16(a) of the Exchange Act is included in
the following sections of the Company's Proxy Statement for its 1998 Annual
Meeting of Shareholders, which sections are incorporated by reference herein
and will be filed within 120 days after the end of the Company's fiscal year:

Election of Directors
Compliance with Section 16(a) of the Exchange Act of 1934

The information required under this item with respect to the Company's
Executive Officers is incorporated by reference from Part I, Item 1 of this
report under "Executive Officers of the Registrant".

Item 11. Executive Compensation.

The information required under this item is included in the following sections
of the Company's Proxy Statement for its 1998 Annual Meeting of Shareholders,
which sections are incorporated by reference herein and will be filed within
120 days after the end of the Company's fiscal year:

Compensation of Executive Officers in the Year Ended
January 31, 1998
Compensation and Stock Option Committee Report on Fiscal Year
1997 Executive Compensation
Compensation of the Chief Executive Officer
Stock Price Performance
Compensation of Directors
Compensation Committee Interlocks and Insider Participation

8 of 15

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required under this item is included in the following section
of the Company's Proxy Statement for its 1998 Annual Meeting of Shareholders,
which section is incorporated by reference herein and will be filed within 120
days after the end of the Company's fiscal year:

Security Ownership of Certain Beneficial Owners and Management

Item 13. Certain Relationships and Related Transactions.

The information required under this item is included in the following sections
of the Company's Proxy Statement for its 1998 Annual Meeting of Shareholders,
which sections are incorporated by reference herein and will be filed within
120 days after the end of the Company's fiscal year:

Election of Directors

Compensation Committee Interlocks and Insider Participation
Certain Relationships and Related Transactions

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a)1. Financial Statements

The following consolidated financial information and statements of Nordstrom, Inc. and its subsidiaries and the Independent Auditors' Report are incorporated by reference herein from Exhibit 13.1 of this report:

Consolidated Statements of Earnings
Consolidated Balance Sheets
Consolidated Statements of Shareholders' Equity
Consolidated Statements of Cash Flows
Notes to Consolidated Financial Statements
Independent Auditors' Report

(a)2. Financial Statement Schedules

	Page
Independent Auditors' Consent and Report on Schedule II - Valuation and Qualifying Accounts	14 15

Other schedules for which provision is made in Regulation S-X are not required, are inapplicable, or the information is included in the Company's 1997 Annual Report to Shareholders as incorporated by reference herein from Exhibit 13.1 of this report.

9 of 15

(a)3. Exhibits

- (3.1) Articles of Incorporation of the Registrant are hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1989, Exhibit A.
- (3.2) By-laws of the Registrant, as amended, are filed herein as an Exhibit.
- (4.1) Trustee Resignation of Wells Fargo Bank (Colorado), N.A., (as successor to First Interstate Bank of Denver, N.A.), dated March 20, 1997 is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 4.2.
- (4.2) Trustee Acceptance of Norwest Bank Colorado, N.A., dated March 20, 1997 is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 4.3.
- (10.1) Operating Agreement dated August 30, 1991 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank is hereby incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q (SEC File No. 0-12994) for the quarter ended July 31, 1991, Exhibit 10.1, as amended.
- (10.2) Merchant Agreement dated August 30, 1991 between Registrant and Nordstrom National Credit Bank is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1991, Exhibit 10.1.
- (10.3) The Nordstrom Supplemental Retirement Plan is hereby incorporated

by reference from the Registrant's Form 10-K for the year ended January 31, 1993, Exhibit 10.3.

- (10.4) The 1993 Non-Employee Director Stock Incentive Plan is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1994, Exhibit 10.4.
- (10.5) Investment Agreement dated October 8, 1984 between the Registrant and Nordstrom Credit, Inc. is hereby incorporated by reference from the Nordstrom Credit, Inc. Form 10, Exhibit 10.1.
- (10.6) Operating Agreement for VISA Accounts and Receivables dated May 1, 1994 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank is hereby incorporated by reference from Registration No. 33-55905, Exhibit 10.1.
- (10.7) Agreement to terminate the Operating Agreement for VISA Accounts and Receivables dated May 1, 1994 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank, dated August 14, 1996 is hereby incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1.

10 of 15

(a)3. Exhibits

- (10.8) Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank and Norwest Bank Colorado, N.A., as trustee, is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1.
- (10.9) Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.2.
- (10.10) Transfer and Administration Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Enterprise Funding Corporation and Nationsbank, N.A. is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.3.
- (10.11) Receivables Purchase Agreement dated August 14, 1996 between Registrant and Nordstrom Credit, Inc. is hereby incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 10.12.
- (10.12) The Nordstrom, Inc. 1997 Stock Option Plan is hereby incorporated by reference from the Registrant's Proxy Statement for the 1997 Annual Meeting of Shareholders.
- (10.13) Credit Agreement dated July 24, 1997 between Registrant and a group of commercial banks is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.
- (10.14) Credit Agreement dated July 24, 1997 between Nordstrom Credit, Inc. and a group of commercial banks is hereby incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.
- (10.15) Commercial Paper Dealer Agreement dated October 2, 1997 between Registrant and Bancamerica Securities, Inc. is hereby incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.1.
- (10.16) Commercial Paper Agreement dated October 2, 1997 between Registrant

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

Principal Accounting and
Financial Officer:

Principal Executive Officer:

/s/ John A. Goesling

John A. Goesling
Executive Vice President
and Treasurer

/s/ John J. Whitacre

John J. Whitacre
Chairman and Director

Directors:

/s/ D. Wayne Gittinger

D. Wayne Gittinger
Director

/s/ John N. Nordstrom

John N. Nordstrom
Director

/s/ Enrique Hernandez, Jr.

Enrique Hernandez, Jr.
Director

/s/ Alfred E. Osborne, Jr.

Alfred E. Osborne, Jr.
Director

/s/ Charles A. Lynch

Charles A. Lynch
Director

/s/ William D. Ruckelshaus

William D. Ruckelshaus
Director

/s/ Ann D. McLaughlin

Ann D. McLaughlin
Director

/s/ Elizabeth Crownhart Vaughan

Elizabeth Crownhart Vaughan
Director

/s/ John A. McMillan

John A. McMillan
Director

/s/ John J. Whitacre

John J. Whitacre
Chairman of the Board of Directors

/s/ Bruce A. Nordstrom

Bruce A. Nordstrom
Director

Date March 31, 1998

Shareholders and Board of Directors
Nordstrom, Inc.

We consent to the incorporation by reference in Registration Statements Nos. 33-18321 and 33-28882 of Nordstrom, Inc. on Form S-8 of our reports dated March 17, 1998 appearing in and incorporated by reference in this Annual Report on Form 10-K of Nordstrom, Inc. and subsidiaries for the year ended January 31, 1998.

We have audited the consolidated financial statements of Nordstrom, Inc. and subsidiaries as of January 31, 1998 and 1997, and for each of the three years in the period ended January 31, 1998, and have issued our report thereon dated March 17, 1998; such financial statements and report are included in your 1997 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Nordstrom, Inc. and subsidiaries, listed in Item 14(a)2. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

Deloitte & Touche LLP
March 31, 1998
Seattle, Washington

NORDSTROM, INC. AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(Dollars in thousands)

Column A	Column B	Column C	Column D	Column E
-----	-----	-----	-----	-----
		Additions	Deductions	
		-----	-----	
	Balance at	Charged to	Account	Balance
	beginning	costs and	write-offs	at end of
			net of	

Description -----	of period -----	expenses -----	recoveries -----	period -----
Allowance for doubtful accounts:				
Year ended:				
January 31, 1996	\$22,958	\$39,589	\$33,154	\$29,393
January 31, 1997	\$29,393	\$51,352	\$53,952	\$26,793
January 31, 1998	\$26,793	\$40,440	\$36,849	\$30,384

15 of 15

NORDSTROM INC. AND SUBSIDIARIES

Exhibit Index

Exhibit -----	Method of Filing -----
3.1 Articles of Incorporation	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1989, Exhibit A.
3.2 By-laws, as amended	Filed herewith electronically
4.1 Trustee Resignation of Wells Fargo Bank (Colorado), N.A., dated March 20, 1997	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 4.2.
4.2 Trustee Acceptance of Norwest Bank Colorado, N.A., dated March 20, 1997	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 4.3.
10.1 Operating Agreement dated August 30, 1991 between Nordstrom Credit, Inc. and	Incorporated by reference from the Nordstrom Credit,

Nordstrom National Credit Bank	Inc. Quarterly Report on Form 10-Q (SEC File No. 0-12994) for the quarter ended July 31, 1991, Exhibit 10.1, as amended.
10.2 Merchant Agreement dated August 30, 1991 between Registrant and Nordstrom National Credit Bank	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended July 31, 1991, Exhibit 10.1.
10.3 Nordstrom Supplemental Retirement Plan	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1993, Exhibit 10.3.
10.4 1993 Non-Employee Director Stock Incentive Plan	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1994, Exhibit 10.4.
10.5 Investment Agreement dated October 8, 1984 between the Registrant and Nordstrom Credit, Inc.	Incorporated by reference from the Nordstrom Credit, Inc. Form 10, Exhibit 10.1.
10.6 Operating Agreement for VISA Accounts and Receivables dated May 1, 1994 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank	Incorporated by reference from Registration No. 33-55905, Exhibit 10.1.
Exhibit Index (continued)	
- - - - -	
10.7 Agreement to terminate the Operating Agreement for VISA Accounts and Receivables dated May 1, 1994 between Nordstrom Credit, Inc. and Nordstrom National Credit Bank, dated August 14, 1996	Incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1
10.8 Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank and Norwest Bank Colorado, N.A., as trustee	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.1.
10.9 Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.2.
10.10 Transfer and Administration Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Enterprise Funding Corporation and Nationsbank, N.A.	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1996, Exhibit 10.3.
10.11 Receivables Purchase Agreement dated August 14, 1996 between Registrant and Nordstrom Credit, Inc.	Incorporated by reference from the Registrant's Form 10-K for the year ended January 31, 1997, Exhibit 10.12.
10.12 1997 Nordstrom Stock Option Plan	Incorporated by reference from the Registrant's Proxy Statement for the 1997 Annual Meeting of Shareholders.

10.13 Credit Agreement dated July 24, between Registrant and a group of commercial banks	Incorporated by reference from the Registrant's Quarterly Report on Form Q for the quarter ended July 31, 1997, Exhibit 10.1.
10.14 Credit Agreement dated July 24, between Nordstrom Credit, Inc. and a group of commercial banks	Incorporated by reference from the Nordstrom Credit, Inc. Quarterly Report on Form 10-Q for the quarter ended July 31, 1997, Exhibit 10.1.
10.15 Commercial Paper Dealer Agreement dated October 2, 1997 between Registrant and Bancamerica Securities, Inc.	Incorporated by reference from the Registrant's Quarterly Report on form 10-Q for the quarter ended October 31, 1997, Exhibit 10.1.
Exhibit Index (continued) - - - - -	
10.16 Commercial Paper Agreement dated October 2, 1997 between Registrant and Credit Suisse First Boston Corporation	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.2.
10.17 Issuing and Paying Agency Agreement dated October 2, 1997 between Registrant and First Trust of New York, N.A.	Incorporated by reference from the Registrant's Quarterly Report on Form 10-Q for the quarter ended October 31, 1997, Exhibit 10.3.
10.18 Amendment to the Series 1996-A Supplement to Master Pooling and Servicing Agreement dated August 14, 1996 between Nordstrom National Credit Bank, Nordstrom Credit, Inc. and Norwest Bank Colorado, N.A., as trustee, dated December 10, 1997	Incorporated by reference from the Nordstrom Credit, Inc. Form 10-K for the year ended January 31, 1998, Exhibit 10.13.
13.1 1997 Annual Report to Shareholders	Filed herewith electronically
21.1 Subsidiaries of the Registrant	Filed herewith electronically
23.1 Independent Auditors' Consent and Report on Schedule	Filed herewith electronically
27.1 Financial Data Schedule	Filed herewith electronically
27.2 Restated Financial Data Schedule for the year ended January 31, 1996	Filed herewith electronically
27.3 Restated Financial Data Schedule for the year ended January 31, 1995	Filed herewith electronically

BYLAWS
OF
NORDSTROM, INC.

(Amended and Restated as of February 28, 1998)

ARTICLE I
Offices

The principal office of the corporation in the state of Washington shall be located in the city of Seattle. The corporation may have such other offices, either within or without the state of Washington, as the Board of Directors may designate or as the business of the corporation may require from time to time.

The registered office of the corporation required by the Washington Business Corporation Act to be maintained in the state of Washington may be, but need not be, identical with the principal office in the state of Washington and the address of the registered office may be changed from time to time by the Board of Directors or by officers designated by the Board of Directors.

ARTICLE II
Shareholders

Section 1. Annual Meetings. The annual meeting of the shareholders shall be held on the third Tuesday in the month of May each year, at the hour of 11:00 a.m., unless the Board of Directors shall have designated a different hour and day in the month of May to hold said meeting. The meeting shall be for the purpose of electing directors and the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state of Washington and if the Board of Directors has not designated some other day in the month of May for such meeting, such meeting shall be held at the same hour and place on the next succeeding business day not a holiday. The failure to hold an annual meeting at the time stated in these Bylaws does not affect the validity of any corporate action. If the election of directors shall not be held on the day designated herein or by the Board of Directors for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as conveniently may be.

Section 2. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes, unless otherwise prescribed by statute, at any time by the Chairman (or any Co-Chairman) of the Board of Directors, by the President (or any Co-President), or by the Board of Directors and shall be called by the Chairman (or any Co-Chairman) of the Board of Directors or the President (or any Co-President) at the request of holders of not less than 10% of all outstanding shares of the corporation entitled to vote on any issue proposed to be considered at the meeting. Only business within the purpose or purposes described in the meeting notice may be conducted at a special shareholder's meeting.

Section 3. Place of Meeting. The Board of Directors may designate any place, either within or without the state of Washington, as the place of meeting for any annual meeting or for any special meeting of the corporation. If no such designation is made, the place of meeting shall be the principal offices of the corporation in the state of Washington.

Section 4. Notice of Meetings. Written notice of annual or special meetings of shareholders stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by the Secretary, or persons authorized to call the meeting, to each shareholder of record entitled to vote at the meeting, not less than ten (10) nor more than sixty (60) days prior to the date of the meeting, unless otherwise prescribed by statute.

Section 5. Waiver of Notice. Notice of the time, place and purpose of any meeting may be waived in writing (either before or after such meeting) and will be waived by any shareholder by attendance of the shareholder in person

or by proxy, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting. Any shareholder waiving notice of a meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

Section 6. Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for any such determination of shareholders, such date to be not more than seventy (70) days and, in the case of a meeting of shareholders, not less than ten (10) days, prior to the date on which the particular action requiring such determination of shareholders is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the day before the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this Section, the determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned more than one hundred twenty (120) days after the date fixed for the original meeting.

Section 7. Voting Lists. After fixing a record date for a shareholders' meeting, the corporation shall prepare an alphabetical list of the names of all shareholders on the record date who are entitled to notice of the shareholders' meeting. The list shall show the address of and number of shares held by each shareholder. A shareholder, shareholder's agent, or a shareholder's attorney may inspect the shareholder list, at the shareholder's expense, beginning ten days prior to the shareholders' meeting and continuing

2

through the meeting, at the corporation's principal office or at a place identified in the meeting notice in the city where the meeting will be held during regular business hours. The shareholder list shall be kept open for inspection at the time and place of such meeting or any adjournment.

Section 8. Quorum and Adjourned Meetings. Unless the Articles of Incorporation or applicable law provide otherwise, a majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for the remainder of the meeting and any adjournment thereof unless a new record date is set or is required to be set for the adjourned meeting. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At a reconvened meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the original meeting. Business may continue to be conducted at a duly organized meeting and at any adjournment of such meeting (unless a new record date is or must be set for the adjourned meeting), notwithstanding the withdrawal of enough shares from either meeting to leave less than a quorum.

Section 9. Proxies. At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the shareholder's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 10. Voting of Shares. Every shareholder of record shall have the right at every shareholders' meeting to one vote for every share standing in the shareholder's name on the books of the corporation. If a quorum exists, action on a matter, other than election of directors, is approved by the shareholders if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of Incorporation or applicable law require a greater number of affirmative votes. Notwithstanding the foregoing,

shares of the corporation may not be voted if they are owned, directly or indirectly, by another corporation and the corporation owns, directly or indirectly, a majority of shares of the other corporation entitled to vote for directors of the other corporation.

Section 11. Acceptance of Votes. If the name signed on a vote, consent, waiver or proxy appointment does not correspond to the name of a shareholder of the corporation, the corporation may accept the vote, consent, waiver or proxy appointment and give effect to it as the act of the shareholder if: (i) the shareholder is an entity and the name signed purports to be that of an officer, partner or agent of the entity; (ii) the name signed purports to be that of an administrator, executor, guardian or conservator representing the shareholder; (iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder; (iv) the name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder; or (v) two or more persons are the shareholder as co-tenants or fiduciaries and

3

the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

ARTICLE III

Board of Directors

Section 1. General Powers. The business and affairs of the corporation shall be managed by its Board of Directors.

Section 2. Number, Tenure and Qualifications. The number of directors of the corporation shall be eleven (11). Each director shall hold office until the next annual meeting of shareholders and until his successors shall have been elected and qualified. Directors need not be residents of the state of Washington or shareholders of the corporation.

Section 3. Regular Meeting. A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after and at the same place as, the annual meeting of shareholders. Regular meetings of the Board of Directors shall be held at such place and on such day and hour as shall from time to time be fixed by the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President) or the Board of Directors. No other notice of regular meeting of the Board of Directors shall be necessary.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President) or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the state of Washington, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. Notice. Notice of any special meeting shall be given at least two days previously thereto by either oral or written notice. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

4

Section 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. A vacancy on the Board of Directors created by reason of an increase in the number of directors may be filled by election by the Board of Directors for a term of the office continuing only until the next election of directors by the shareholders.

Section 9. Compensation. By resolution of the Board of Directors, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors and at each meeting of a committee of the Board of Directors and may be paid a stated salary as director, a fixed sum for attendance at each such meeting, or both. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

Section 10. Presumption of Assent. A director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE IV

Special Measures Applying to Both Shareholder and Director Meetings

Section 1. Actions by Written Consent. Any corporate action required or permitted by the Articles of Incorporation, Bylaws, or the laws under which the corporation is formed, to be voted upon or approved at a duly called meeting of the directors, committee of directors, or shareholders may be accomplished without a meeting if one or more unanimous written consents of the respective directors or shareholders, setting forth the actions so taken, shall be signed, either before or after the action taken, by all the directors, committee members or shareholders, as the case may be. Action taken by unanimous written consent of the directors or a committee of the Board of Directors is effective when the last director or committee member signs the consent, unless the consent specifies a later effective date. Action taken by unanimous written consent of the shareholders is effective when all consents have been delivered to the corporation, unless the consent specifies a later effective date.

Section 2. Meetings by Conference Telephone. Members of the Board of Directors, members of a committee of directors, or shareholders may participate in their respective meetings by means of a conference telephone or similar communications equipment by means of which all persons participating

5

in the meeting can hear each other at the same time; participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3. Written or Oral Notice. Oral notice may be communicated in person, or by telephone, wire or wireless equipment, which does not transmit a facsimile of the notice. Oral notice is effective when communicated. Written notice may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire or wireless equipment which transmits a facsimile of the notice. Written notice to a shareholder is effective when mailed, if mailed with first class postage prepaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders. In all other instances, written notice is effective on the earliest of the following: (a) when dispatched to the person's address, telephone number, or other number appearing on the records of the corporation by telegraph, teletype or facsimile equipment; (b) when received; (c) five days after deposit in the United States mail, as evidenced by the postmark, if mailed with first class postage, prepaid and correctly addressed; or (d) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested and the receipt is

signed by or on behalf of the addressee. In addition, notice may be given in any manner not inconsistent with the foregoing provisions and applicable law.

ARTICLE V Officers

Section 1. Number. The offices and officers of the corporation shall be as designated from time to time by the Board of Directors. Such offices may include a Chairman or two or more Co-Chairmen of the Board of Directors, a President or two or more Co-Presidents, one or more Vice Presidents, a Secretary, a Treasurer and a Controller. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same persons.

Section 2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and qualified, or until the officer's death or resignation, or the officer has been removed in the manner hereinafter provided.

Section 3. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment, the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

6

Section 5. Chairman of the Board of Directors. The Chairman or Co-Chairmen of the Board of Directors, subject to the authority of the Board of Directors, shall preside at meetings of shareholders and directors and, together with the President and Co-Presidents, shall have general supervision and control over the business and affairs of the corporation. The Chairman or a Co-Chairman of the Board of Directors may sign any and all documents, deeds, mortgages, bonds, contracts, leases, or other instruments in the ordinary course of business with or without the signature of a second corporate officer, may sign certificates for shares of the corporation with the Secretary or Assistant Secretary of the corporation and may sign any documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general may perform all duties which are normally incident to the office of Chairman of the Board of Directors or President and such other duties, authority and responsibilities as may be prescribed by the Board of Directors from time to time.

Section 6. President. The President or Co-Presidents, together with the Chairman or Co-Chairmen of the Board of Directors, shall have general supervision and control over the business and affairs of the corporation subject to the authority of the Chairman or Co-Chairmen of the Board of Directors and the Board of Directors. If the Board of Directors appoint two or more Co-Presidents, the Co-Presidents shall, without further action or appointment by the Board of Directors, occupy the Office of the President, the members of which shall each have the authority and duties as set forth in this Section. The President or a Co-President may sign any and all documents, mortgages, bonds, contracts, leases, or other instruments in the ordinary course of business with or without the signature of a second corporate officer, may sign certificates for shares of the corporation with the Secretary or Assistant Secretary of the corporation and may sign any documents which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President

and such other duties, authority and responsibilities as may be prescribed by the Chairman or Co-Chairmen of the Board of Directors or the Board of Directors from time to time.

Section 7. The Vice President. In the absence of the President and all Co-Presidents, or in the event of their death, inability or refusal to act, the Executive Vice President, if one is designated and otherwise the Vice Presidents in the order designated at the time of their election or in the absence of any designation, then in the order of their election, shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to the Vice President by the Chairman or Co-Chairmen of

7

the Board of Directors, President or any Co-President, or by the Board of Directors.

Section 8. The Secretary. The Secretary shall: (a) keep the minutes of the proceedings of the shareholders and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents and the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholders; (e) sign with the Chairman or Co-Chairmen of the Board of Directors, President or a Co-President, or with a Vice President, certificates for shares of the corporation, or contracts, deeds or mortgages the issuance or execution of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation subject to the authority delegated to a transfer agent or registrar if appointed; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors.

Section 9. The Treasurer. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for monies due and payable to the corporation from any source whatsoever and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws; and (c) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine.

Section 10. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries, when authorized by the Board of Directors, may sign with the Chairman or Co-Chairmen of the Board of Directors, President or a Co-President, or with a Vice President, certificates for shares of the corporation or contracts, deeds or mortgages, the issuance or execution of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman or Co-Chairmen of the Board of Directors, President or any Co-President, or by the Board of Directors.

Section 11. The Controller. The Controller shall report to the

8

Treasurer and shall supervise and be responsible for daily operations of the

Financial Department, accounts and account books of the corporation, all in the ordinary course of business. The Controller shall also perform such other duties as may from time to time be assigned by the Treasurer, by the Chairman or Co-Chairmen of the Board of Directors, by the President or any Co-President, or by the Board of Directors.

ARTICLE VI

Executive Committee

Section 1. Appointment. The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute an Executive Committee. The designation of such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

Section 2. Authority. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease or other disposition of all or substantially all of the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending to the shareholders voluntary dissolution of the corporation or a revocation thereof, amending the Bylaws of the corporation or any other action prohibited by applicable law.

Section 3. Tenure and Qualifications. Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his designation and until his successor is designated as a member of the Executive Committee and is elected and qualified.

Section 4. Meetings. Regular meetings of the Executive Committee may be held without notice at such times and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than one day's notice stating the place, date and hour of the meeting, which notice may be written or oral. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting.

Section 5. Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

9

Section 6. Vacancies. Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the full Board of Directors.

Section 7. Resignations and Removal. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the Chairman (or any Co-Chairman) of the Board of Directors, the President (or any Co-President), or to the Secretary, of the corporation and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8. Procedure. The Executive Committee shall elect a Chairman of the Executive Committee or two or more Co-Chairmen of the Executive Committee from its members and may fix its own rules of procedure which shall not be inconsistent with these Bylaws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

ARTICLE VII

Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks. Drafts. etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officers, agent or agents of the corporation and in such manner as shall from time to time be determined by the Board of Directors.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VIII

Certificates for Shares and Their Transfer

Section 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chairman (or any Co-

10

Chairman) of the Board of Directors, the President (or any Co-President) or a Vice President and by the Secretary or an Assistant Secretary and sealed with the corporate seal or a facsimile thereof. The signatures of such officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent, or registered by a registrar, other than the corporation itself or one of its employees. If any officer who signed a certificate, either manually or in facsimile, no longer holds such office when the certificate is issued, the certificate is nevertheless valid. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. Transfer of Shares. Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, or with its transfer agent, if any, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE IX

Fiscal Year

The fiscal year of the corporation shall begin on the first day of February and end on the thirty-first day of January in each year.

ARTICLE X

Dividends

The Board of Directors may, from time to time, declare and the corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its articles of incorporation.

ARTICLE XI
Corporate Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words, "Corporate Seal."

11

ARTICLE XII
Indemnification of Directors, Officers and Others

Section 1. Right to Indemnification. Each person (including a person's personal representative) who was or is made a party or is threatened to be made a party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, investigative or by or in the right of the corporation, or otherwise (hereinafter a "proceeding") by reason of the fact that he or she (or a person of whom he or she is a personal representative) is or was a director or officer of the corporation or, being or having been such a director or officer, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action or inaction in an official capacity as a director, officer, partner, trustee, employee, agent or in any other relationship or capacity whatsoever, shall be indemnified and held harmless by the corporation to the fullest extent not prohibited by the Washington Business Corporation Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment does not prohibit the corporation from providing broader indemnification rights than prior to the amendment), against all expenses, liabilities and losses (including but not limited to attorneys' fees, judgments, claims, fines, ERISA and other excise and other taxes and penalties and other adverse effects and amounts paid in settlement), reasonably incurred or suffered by the indemnitee; provided, however, that no such indemnity shall indemnify any person from or on account of acts or omissions of such person finally adjudged to be intentional misconduct or a knowing violation of law, or from or on account of conduct of a director finally adjudged to be in violation of RCW 23B.08.310, or from or on account of any transaction with respect to which it was finally adjudged that such person personally received a benefit in money, property, or services to which the person was not legally entitled; and further provided, however, that except as provided in Section 2 of this Article with respect to suits relating to rights to indemnification, the corporation shall indemnify any indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

The right to indemnification granted in this Article is a contract right and includes the right to payment by, and the right to receive reimbursement from, the corporation of all expenses as they are incurred in connection with any proceeding in advance of its final disposition (hereinafter an "advance of expenses"); provided, however, that an advance of expenses received by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee unless

12

required by the Board of Directors) shall be made only upon (i) receipt by the corporation of a written undertaking (hereinafter an "undertaking") by or on behalf of such indemnitee, to repay advances of expenses if and to the extent it shall ultimately be determined by order of a court having jurisdiction (which determination shall become final upon expiration of all rights to appeal), hereinafter a "final adjudication", that the indemnitee is not entitled to be indemnified for such expenses under this Article, and (ii) receipt by the corporation of written affirmation by the indemnitee of his or her good faith belief that he or she has met the standard of conduct applicable (if any) under the Washington Business Corporation Act necessary for indemnification by the corporation under this Article.

Section 2. Right of Indemnitee to Bring Suit. If any claim for indemnification under Section 1 of this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, except in the case of a claim for an advance of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If the indemnitee is successful in whole or in part in any such suit, or in any suit in which the corporation seeks to recover an advance of expenses, the corporation shall also pay to the indemnitee all the indemnitee's expenses in connection with such suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon the corporation's receipt of indemnitee's written claim (and in any suits relating to rights to indemnification where the required undertaking and affirmation have been received by the corporation) and thereafter the corporation shall have the burden of proof to overcome that presumption. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or shareholders) to have made a determination prior to other commencement of such suit that the indemnitee is entitled to indemnification, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or shareholders) that the indemnitee is not entitled to indemnification, shall be a defense to the suit or create a presumption that the indemnitee is not so entitled. It shall be a defense to a claim for an amount of indemnification under this Article (other than a claim for advances of expenses prior to final disposition of a proceeding where the required undertaking and affirmation have been received by the corporation) that the claimant has not met the standards of conduct applicable (if any) under the Washington Business Corporation Act to entitle the claimant to the amount claimed, but the corporation shall have the burden of proving such defense. If requested by the indemnitee, determination of the right to indemnity and amount of indemnity shall be made by final adjudication (as defined above) and such final adjudication shall supersede any determination made in accordance with RCW 23B.08.550.

Section 3. Non-Exclusivity of Rights. The rights to indemnification (including, but not limited to, payment, reimbursement and advances of expenses) granted in this Article shall not be exclusive of any other powers or obligations of the corporation or of any other rights which any person may have or hereafter acquire under any statute, the common law, the corporation's

Articles of Incorporation or Bylaws, agreement, vote of shareholders or disinterested directors, or otherwise. Notwithstanding any amendment to or repeal of this Article, any indemnitee shall be entitled to indemnification in accordance with the provisions hereof with respect to any acts or omissions of such indemnitee occurring prior to such amendment or repeal.

Section 4. Insurance, Contracts and Funding. The corporation may purchase and maintain insurance, at its expense, to protect itself and any person (including a person's personal representative) who is or was a director, officer, employee or agent of the corporation or who is or was a director, officer, partner, trustee, employee, agent, or in any other relationship or capacity whatsoever, of any other foreign or domestic corporation, partnership, joint venture, employee benefit plan or trust or other trust, enterprise or other private or governmental entity, agency, board, commission, body or other unit whatsoever, against any expense, liability or loss, whether or not the power to indemnify such person against such expense, liability or loss is now or hereafter granted to the corporation under the Washington Business Corporation Act. The corporation may enter into contracts granting indemnity, to any such person whether or not in furtherance of the provisions of this Article and may create trust funds, grant security interests and use other means (including, without limitation, letters of

credit) to secure and ensure the payment of indemnification amounts.

Section 5. Indemnification of Employees and Agents. The corporation may, by action of the Board of Directors, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agent of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted under, or provided by, the Washington Business Corporation Act or otherwise.

Section 6. Separability of Provisions. If any provision or provisions of this Article shall be held to be invalid, illegal or unenforceable for any reason whatsoever (i) the validity, legality and enforceability of the remaining provisions of this Article (including without limitation, all portions of any sections of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (ii) to the fullest extent possible, the provisions of this Article (including, without limitation, all portions of any paragraph of this Article containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

Section 7. Partial Indemnification. If an indemnitee is entitled to indemnification by the corporation for some or a portion of expenses, liabilities or losses, but not for the total amount thereof, the corporation shall nevertheless indemnify the indemnitee for the portion of such expenses, liabilities and losses to which the indemnitee is entitled.

Section 8. Successors and Assigns. All obligations of the corporation

14

to indemnify any indemnitee: (i) shall be binding upon all successors and assigns of the corporation (including any transferee of all or substantially all of its assets and any successor by merger or otherwise by operation of law), (ii) shall be binding on and inure to the benefit of the spouse, heirs, personal representatives and estate of the indemnitee, and (iii) shall continue as to any indemnitee who has ceased to be a director, officer, partner, trustee, employee or agent (or other relationship or capacity).

ARTICLE XIII

Books and Records

Section 1. Books of Accounts, Minutes and Share Register. The corporation shall keep as permanent records minutes of all meetings of its shareholders and Board of Directors, a record of all actions taken by the shareholders or Board of Directors without a meeting and a record of all actions taken by a committee of the Board of Directors exercising the authority of the Board of Directors on behalf of the corporation. The corporation shall maintain appropriate accounting records. The corporation or its agent shall maintain a record of its shareholders, in a form that permits preparation of a list of the names and addresses of all shareholders, in alphabetical order showing the number and class of shares held by each. The corporation shall keep a copy of the following records at its principal office: the Articles or Restated Articles of Incorporation and all amendments currently in effect; the Bylaws or Restated Bylaws and all amendments currently in effect; the minutes of all shareholders' meetings and records of all actions taken by shareholders without a meeting, for the past three years; its financial statements for the past three years, including balance sheets showing in reasonable detail the financial condition of the corporation as of the close of each fiscal year and an income statement showing the results of its operations during each fiscal year prepared on the basis of generally accepted accounting principles or, if not, prepared on a basis explained therein; all written communications to shareholders generally within the past three years; a list of the names and business addresses of its current directors and officers; and its most recent annual report delivered to the Secretary of State of the State of Washington.

Section 2. Copies of Resolutions. Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when

certified by the Chairman (or any Co-Chairman) of the Board of Directors, President (or any Co-President) or Secretary.

ARTICLE XIV

Amendment of Bylaws

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the full Board of Directors at any regular or special meeting of the Board of Directors.

EXHIBIT 21.1
NORDSTROM, INC. AND SUBSIDIARIES
SUBSIDIARIES OF THE REGISTRANT

Name of Subsidiary - -----	State of Incorporation -----
Nordstrom Credit, Inc.	Colorado
Nordstrom National Credit Bank	Colorado

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Exhibit 13.1
Portions of the 1997 Annual Report to Shareholders
1997 Annual Report

Financial Highlights

Dollars in thousands except per share amounts

Fiscal Year	1997	1996	% Change
Net sales	\$4,851,624	\$4,453,063	+8.9
Earnings before income taxes	307,213	243,505	+26.2
Net earnings	186,213	147,505	+26.2
Basic earnings per share	2.40	1.82	+31.9
Diluted earnings per share	2.40	1.82	+31.9
Cash dividends paid per share	.53	.50	+6.0

Stock trading

Fiscal Year	1997		1996	
	high	low	high	low
First Quarter	39 3/4	33 7/8	50 7/8	39 1/4
Second Quarter	59 5/8	39 1/4	52 7/8	39 1/4
Third Quarter	68 3/16	52 3/8	42 3/8	35 1/2
Fourth Quarter	65 3/4	42 55/64	44	35 7/16

Nordstrom, Inc. common stock is traded over-the-counter and quoted daily in leading financial publications. NASDAQ Symbol-NOBE.

Graph - Net Sales

The vertical bar graph compares net sales for the past ten years. Beginning with the oldest fiscal year on the left, net sales (dollars are in millions) were as follows: 1988-\$2,328; 1989-\$2,671; 1990-\$2,894; 1991-\$3,180; 1992-\$3,422; 1993-\$3,590; 1994-\$3,894; 1995-\$4,114; 1996-\$4,453; 1997-\$4,852;

Graph - Net Earnings

The vertical bar graph compares net earnings for the past ten years. Beginning with the oldest fiscal year on the left, net earnings (dollars are in millions) were as follows: 1988-\$123.3; 1989-\$114.9; 1990-\$115.8; 1991-\$135.8; 1992-\$136.6; 1993-\$140.4; 1994-\$203.0; 1995-\$165.1; 1996-\$147.5; 1997-\$186.2;

Page 2 Nordstrom Annual Report 1997

Message To Our Shareowners:

In 1997, Nordstrom achieved a marked improvement in financial performance. Store expansion, better comparable-store sales, improved merchandise margins and operating refinements contributed to higher earnings and increased shareowner wealth. The management team also initiated a broad-based program to increase value for shareowners, customers, employees and the communities we serve. During the year:

Market capitalization expanded 31 percent to \$3.9 billion, with 3.3 million fewer shares outstanding.

Net earnings rose 26 percent to \$186.2 million.

Basic and diluted earnings per share increased to \$2.40, up 32 percent.

Net sales were a record \$4.9 billion, up 9 percent.

An Expanding National Presence

In 1997, Nordstrom strengthened its presence as a national retailer, opening

three new full-line stores in shopping centers at Roosevelt Field on Long Island, New York; at Westfarms in West Hartford, Connecticut; and at Beachwood Place in Cleveland, Ohio.

We added two new Nordstrom Racks: at Factoria in Bellevue, Washington, and at The Mall at The Source on Long Island, New York. Plus, in Orange County and San Diego, we expanded two of our original and most productive Racks. Southern California is also where we located our second and third Faconnable boutiques. Overall, we increased retail space by more than 800,000 square feet, a 7 percent increase over 1996.

Nordstrom now operates stores in every region of the country. This February, we entered the Southeast, opening our first full-line store at Perimeter Mall in Atlanta, Georgia. Three additional stores are planned for Georgia and Florida through 2001. Our plan is to add new stores with an 8 to 10 percent annual increase in total square feet. Most importantly, significant expansion opportunities exist in primary locations across the country.

Page 5 Nordstrom Annual Report 1997

Our full-line stores are now organized into four geographic groups: Northwest, California, Midwest and East. Racks, Direct Sales, Faconnable boutiques, Nordstrom Product Group and Nordstrom National Credit Bank also operate as distinct and self-contained units. Company growth is managed through these clearly focused autonomous teams with more direct lines of reporting to a specific Co-President.

Value creation is the primary focus of each group. These teams are designed to develop strategies and plans based on market conditions unique to each business. Performance will be measured against previous years and compared with the results of key peer-industry competitors. Over time we expect our teams to become more efficient, focused and knowledgeable. Each unit will be more flexible and responsive, allowing business decisions to be made more quickly and closer to individual customers.

Growing Merchandise Sales

This year's improved growth in comparable-store sales was due in large part to an enhanced and refined merchandise selection, especially in women's apparel. Merchandise realignments and staffing changes made in 1996 paid dividends in 1997. In particular, customers were better served with a balanced selection of Nordstrom brands and leading national brands.

As a result of refinements initiated these past few years, each group merchandise team has fewer, more experienced people in jobs with expanded responsibilities. These significant changes are increasing buying leverage and improving supplier communication and participation. Our goal is to generate quality sales growth with a better merchandise mix and more efficient investment of inventory dollars.

Our expanding use of information systems technology is providing greater flexibility in merchandising and responding to customers. Detailed sales floor information is now available, including individual SKUs (stock keeping units) in all full-line stores. Automatic merchandise replenishment systems, linked directly to vendors, will be in place for approximately 16 percent of our business by year end. Also, the coordinated merger of various internal database systems will focus resources on improving customer service. The next important use of technology-Internet shopping-will begin later this year.

The Catalog

Also benefiting from advanced technology, the four-year-old Direct Sales Division posted sharp sales and earnings increases. Annual results continue to exceed prior direct marketing

Page 8 Nordstrom Annual Report 1997

industry performance rates-our sales grew over 50 percent this last year alone. By the year 2000, we expect this division to be as large as some of our retail regions today.

In mid-year, we moved from a 119,000 square-foot manual fulfillment center into a 375,000 square-foot computerized facility in Cedar Rapids, Iowa. Its five-fold increase in capacity and state-of-the-art systems for order fulfillment cuts the processing cost per item by about 25 percent. And, more importantly, it enables us to offer our customers many more styles and an expanded range of

sizes. Anticipating future needs, we have obtained the rights to purchase the land surrounding our new center so we can easily expand our operations.

Increased capacity at the fulfillment center level necessitated other changes as well. To help us maintain current levels of service and growth, we added a 235-seat call center in February of this year. Our call centers continue to increase service standards, with a current abandon rate of only 1.86 percent.

Direct mail makes up approximately 10 percent of the \$90 billion women's apparel industry. That's a \$9 billion market we have only just begun to penetrate. Catalog sales have a positive impact at the store level, as well. A 1997 study shows that customers receiving The Catalog spent 15 percent more in-store than those who didn't receive The Catalog. The evolution of this product delivery vehicle will be an increasingly critical link to existing and future Nordstrom customers.

Nordstrom Product Group

We also expect Nordstrom Product Group (NPG), our manufacturing arm, to play an important role in building future value. With more than 30 years of experience and growth, NPG designs, manufactures and markets apparel, footwear and accessories especially suited to our customers' preferences. These items are distinguished by superior craftsmanship, materials, fit, size selection, and style. They provide a real point of difference for Nordstrom and give our customers products they can't find anywhere else.

Our exclusive brands include Classiques Entier, Evergreen, Callaway Golf by Nordstrom, and the Greta Garbo Collection. We also feature a collection of foundation brands-such as Preview Collection, Career Essentials, Tesori, BP. Wear, N Kids and Baby N-designed to deliver superior products at the lowest possible price. With all of these brands, our goal is the same: to provide exclusive world-class products that strengthen Nordstrom's position

Page 11 Nordstrom Annual Report 1997

as a shopping destination. Our Nordstrom brand men's dress shirt collection is a perfect example of our success in this area-it accounts for more than 75 percent of the volume of dress shirts in our Men's Furnishings department.

By any measure, NPG is a success story. Now accounting for more than 20 percent of our sales, Nordstrom Product Group is approximately the 20th largest apparel importer in the United States, and the 49th largest importer of footwear. We look forward to continued growth, as we develop NPG to become more streamlined and responsive in our ongoing efforts to improve quality while reducing costs and production lead times.

Company Values

While many aspects of our business must adapt to a highly competitive and constantly changing marketplace, faith in good people continues to be our primary focus. From the days of John W. Nordstrom's first store in 1901, each employee has functioned as an extended member of the Nordstrom family. Nordstrom standards of service, quality, value and selection are translated through a diverse blend of energetic and talented managers and front-line employees.

Company-wide, our singular intent is to improve service every day through the personal contacts of 37,000 employees-one customer at a time. Our inverted pyramid style of management, where leaders are promoted from within the organization, helps create a people-oriented, customer-focused company. We empower employees to use good judgment and "just take care of the customer."

As Nordstrom's national presence grows, success will rest upon our ability to sustain these fundamental values. Wherever we conduct business, our objective is to attract sincere, friendly, career-oriented people. Through customer-focused teams, our goal is to generate a "home town store" mentality, with the heart and flexibility of a small, locally based company, while building on the natural advantages of a large corporation.

Managing for Value

During 1997, the Company initiated a long-term program to assure that we increase value for shareowners. With this subtle clarification of the company's management approach, we have begun a journey that will take several years of patience and persistence.

In managing for value creation, we have set in motion a process to carefully

review our existing business practices. We must determine how our priorities and goals align with

Page 12 Nordstrom Annual Report 1997

those of the future. Our ambition is to be ranked as a top-tier national company by enhancing elements that work well now, and changing those needing improvement.

Besides improving performance and other value initiatives, your Company took two additional actions to increase shareowner wealth in 1997. The Board of Directors declared a 12 percent dividend increase, and continued to authorize share repurchases. In April 1997, the \$100 million share repurchase authorized in November 1996 was completed. Another \$100 million program authorized in February of 1997 was concluded early this year. And in February of this year, repurchase of an additional \$400 million of shares was approved.

Resource Allocation

Going forward, decisions concerning the allocation of human and financial resources will be based on the anticipated return to shareowners. Decisions that trigger new site selection, new full-line store, Rack and Faconnable boutique strategies, or the evolution of Direct Sales and eventually Internet commerce will be value based.

We are taking steps to strengthen our management structure by more clearly defining roles and lines of reporting. Management will concentrate on resource allocation based on a rigorous business-unit process of strategy and planning. During the years ahead we will continue to streamline merchandise management and support functions. Our goal is to eliminate redundancies and provide better leadership through improved planning and preparation. Process clarity and increased efficiencies will appropriately focus business resources and execution.

Performance Management

By creating better ways to recognize performance, we hope to measure and improve individual productivity. As we've said, managing human capital has always been essential at Nordstrom. Our way of doing business defines each employee as an entrepreneur--each individual is an "agent" for our customers. Coupled with our promote-from-within policy, the Company has worked to foster a climate of trust and honesty.

We believe managing for value will enhance our entrepreneurial culture and remove barriers for employee responsibility. In time, we hope to develop what we like to call "Ph.D." selling. Such a structure will encourage employees to further develop their customer relationships. Economic and other performance measures will play a greater role in compensation

Page 14 Nordstrom Annual Report 1997

systems in the years ahead. We expect all individuals, from senior management to front-line employees, to make a contribution to value creation, based upon their roles and responsibilities to the team. Eventually we intend to enhance our performance-based measures, tying them more closely to the Company's economic performance.

Other benchmarks indicate our progress. In 1997, while in the early phase of an emerging national presence, Nordstrom was ranked first in Fortune Magazine's annual survey of customer satisfaction in the department store and discount store category. We were honored in another Fortune Magazine survey as one of the top 100 places to work in America. And for the last four years, Hispanic Magazine has placed Nordstrom among the top 100 U.S. companies offering the most opportunities to Hispanics. We were also recognized in the 1997 Catalyst Census of Women Corporate Officers and Earners--Nordstrom was one of only seven companies that have two top-earning women among their five top-earning corporate officers.

Looking Ahead

Interestingly, it is noteworthy that Nordstrom will recognize its centennial year in 2001. We certainly intend to celebrate this accomplishment and our tremendous growth from a single Seattle shoe store in 1901. We are also preparing today for the next 100 years that will begin February 1, 2002.

Speaking for our management team, we are optimistic about Nordstrom's numerous avenues for growth. We are poised to penetrate new markets and increase sales

from Nordstrom brands. We also plan to grow sales from new retail channels such as The Catalog and the Internet. With our new management approach, we are working to maximize the profitability and value of those opportunities. You will learn more of our progress as we reach milestones along the way. As we approach our second century in 2002, we are committed to increasing value for all our stakeholders.

John J. Whitacre
 Chairman and Chief Executive Officer
 March 15, 1998

Management Discussion and Analysis

The following discussion and analysis gives a more detailed review of the past three years, as well as additional information on future commitments and trends. Some of the information in this annual report, including anticipated store openings, strategies and goals, planned capital expenditures and trends in company operations, are forward looking statements which are subject to risks and uncertainties. Actual future results and trends may differ materially depending upon a variety of 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 and expenses, trends in personal bankruptcies and bad debt write-offs, employee relations, adverse weather conditions and other hazards of nature such as earthquakes and floods, the Company's ability to continue its expansion plans, and the impact of ongoing competitive market factors. This discussion and analysis should be read in conjunction with the basic consolidated financial statements and the Ten-Year Statistical Summary.

Sales

Sales have increased to record levels in each of the past three years. The components of the percentage change by year are as follows:

Fiscal Year	1997	1996	1995
Sales in comparable stores (open at least fourteen months)	3.8%	0.6%	(0.7%)
Sales in new stores	3.9%	7.0%	5.2%
Direct sales catalog	1.2%	0.7%	1.1%
Total percentage increase	8.9%	8.3%	5.6%

The Company experienced a healthy rate of comparable store sales growth in 1997 after two years of stagnation. In 1995, the Company experienced declining demand for apparel as well as sales decreases at several stores in the Company's Chicago and New Jersey markets reflecting the effect of sales cannibalization resulting from new store openings in these markets. In mid-1996, the Company changed the merchandise mix in most of its women's apparel departments in response to changing customer profiles and vendor product offerings. While management believed that these changes would better position our women's apparel departments for future growth, they resulted in sales decreases in many of the departments. These decreases offset increases in other areas of business. In addition, in the fourth quarter, portions of the Company's holiday merchandising strategy were not executed as well as planned. In 1997, a strong economic environment and a positive reaction to the changes implemented in the women's apparel departments pushed up the growth in comparable store sales.

The Company has continued to expand its store base over the past several years with new store openings. Sales in new stores includes sales from these stores until they have been open fourteen months. Starting at that time, sales from these stores then are included in the comparable stores calculation. A new store is generally not as productive as the Company's average store because the customer

base and traffic patterns of each store are developed over time. As a result, sales growth from these new stores does not match the 8% increase in average square footage over the past several years.

The direct sales catalog division continues to grow rapidly, with sales of \$156 million in 1997. The division opened a new and larger fulfillment center in August of 1997, and this facility provides capacity for even more sales growth in the future.

Although the Company's average price point has increased over the past several years, this has been due to changes in the merchandise mix. There has been little, if any, inflation in overall merchandise prices during the past several years.

Page 21 Nordstrom, Inc. and Subsidiaries

Management Discussion and Analysis

Graph - Percentage of 1997 Sales by Merchandise Category

The pie chart depicts each merchandise category and its percent of total sales. Clockwise: Shoes - 20%; Men's Apparel and Furnishings - 18%; Women's Accessories - 20%; Children's Apparel and Accessories - 4%; Women's Apparel - 36%; and Other - 2%. The caption below the graph reads, "Sales by major merchandise category have changed only slightly over the past several years."

Costs and Expenses

As a result of increased sales, the total amount of costs and expenses has increased in each year. The operating margin improved in 1997 after declining the two previous years. As a percentage of sales, total costs and expenses were 93.4% in 1995, 94.5% in 1996 and 93.7% for 1997. Unless otherwise indicated, the changes discussed below are stated as a percentage of sales as shown on page 26.

Cost of sales and related buying and occupancy costs fluctuate as a percentage of sales primarily because of changes in the cost of sales component. With changes in merchandise styles and selections, cost of sales, and therefore the merchandise gross margin, can fluctuate up and down from year to year. In 1995, the merchandise gross margin decreased because excess inventory levels led to higher markdowns as sales did not meet expectations. Merchandise margins decreased further in 1996 as a result of the merchandise changes in the Company's women's apparel departments discussed earlier and lower initial markups designed to stimulate sales. The merchandise gross margin improved in 1997. Initial markups were higher and markdowns were lower, reflecting the stronger growth in sales and recovery from the impact of the changes in the women's apparel departments.

Buying costs increased each year. Factors contributing to this trend include spending on the development and implementation of merchandise inventory systems, greater investment in development of the Company's own merchandise brands and additional merchandising personnel in the Company's newer regions. Occupancy costs increased in 1995 and 1996 as a result of new store openings and remodeling of older stores. Occupancy costs decreased in 1997 as the impact of new store openings and remodeling projects tapered off.

Selling, general and administrative expenses increased in both 1995 and 1996 for several reasons. In 1995, expenses in comparable stores continued to increase while sales declined. In addition, bad debts increased as a result of the growth of the Company's VISA credit card program, and the direct sales catalog division continued to incur high operating costs. In 1996, selling, general and administrative expenses increased primarily because of higher bad debts. Rising consumer debt levels led to higher charge-offs on the Company's credit card balances, particularly from personal bankruptcies. Improvements in the operating costs of the direct sales catalog division were offset by rising expenses in stores.

Management Discussion and Analysis

Costs and Expenses (continued)

Interest expense increased in 1995 because of higher borrowings to finance the Company's customer accounts receivable balances. Interest expense decreased in 1997 primarily because of the impact of securitization of the Company's VISA credit card receivables, as described more fully in Notes 6 and 13 to the accompanying financial statements.

Service charge income and other, net includes income from our credit card operation as well as other miscellaneous income and expenses. In 1995, other income increased primarily due to an increase in service charge income from higher levels of customer accounts receivable outstanding during the year. Other income decreased in 1997 primarily because of the impact of the securitization of the Company's VISA credit card receivables and because of losses on the closing of our Hawaii leased shoe departments.

Liquidity and Capital Resources

Net cash used in investing activities exceeded net cash provided by operating activities in 1995 as the Company increased its spending on new store construction and its investment in customer accounts receivable. In 1996 and 1997 net cash provided exceeded net cash used as the growth trend of credit card receivables reversed.

The Company believes that operating working capital (net working capital less short-term investments plus notes payable and the current portion of long-term debt) is a more appropriate measure of the Company's on-going working capital requirements than net working capital because it eliminates the effect of changes in the levels of short-term investments and borrowings. These levels can vary each year depending on financing activities. The Company's operating working capital has fluctuated as shown below:

Fiscal Year	1997	1996	1995
Operating working capital (in thousands)	\$1,001,597	\$957,194	\$1,082,714
Percentage change from prior year	4.6%	(11.6%)	26.7%
Net sales/average operating working capital	5.0	4.4	4.2

In 1995, the Company increased its investment in customer accounts receivable through continuing promotion of its VISA credit card program and by reducing the minimum payment on its proprietary credit card. This caused operating working capital to increase at a significantly greater rate than sales.

During 1996, the Company's proprietary credit card balances did not continue to increase because of competition from third-party cards. The Company also reduced its efforts to promote its VISA credit card because of concerns about rising charge-offs. In addition, in 1996 the Company securitized its VISA credit card portfolio. These factors together resulted in a decrease in operating working capital for the year.

During 1997, the growth in merchandise inventories more than offset the decline in customer accounts receivable. As the buyers responded to higher sales gains, they became more aggressive in their merchandise commitments. Management is taking actions to reduce the rate of growth in merchandise inventories.

Much of the Company's debt is utilized to finance the Company's accounts receivable as shown in Note 13 to the accompanying financial statements. At January 31, 1998 the Company also had \$106 million in outstanding commercial paper and \$50 million of

long-term debt maturing in February of 1998 that was not related to the financing of accounts receivable. This debt was refinanced with the issuance of fixed rate long-term debt in March of 1998.

Page 23 Nordstrom, Inc. and Subsidiaries

Management Discussion and Analysis

Liquidity and Capital Resources (continued)

Graph - Investing and Operating Cash Flows

The vertical bar graph compares cash provided by operating activities and cash used in investing activities for each year, for the past ten years. Dollars in millions.

Year	Cash used in investing activities	Cash provided by operating activities
1988	\$153.4	\$ 46.0
1989	\$168.7	\$122.2
1990	\$200.7	\$148.1
1991	\$147.2	\$154.0
1992	\$ 71.9	\$235.6
1993	\$132.7	\$262.1
1994	\$246.9	\$231.8
1995	\$254.0	\$121.9
1996	\$206.1	\$248.9
1997	\$260.0	\$300.4

The Company has spent approximately \$750 million during the last three years to add new stores and facilities and to improve existing stores and facilities. Over 2.6 million square feet of selling space has been added during this time period, representing an increase of 26%. Most of the new stores have been constructed by the Company on land that it owns or leases under long-term agreements, thus providing a strong basis for future operations.

The Company plans to spend approximately \$850 million on capital projects during the next three years, with approximately \$200 million allocated to the refurbishment of existing stores. Although the Company has made commitments for stores to be opening in 1998 and beyond, it is possible that some stores may not be opened as scheduled because of environmental and land use regulations. Management believes that the Company's current financial strength and cash flows from operations provide the resources necessary to maintain its existing stores and the flexibility to take advantage of these new store opportunities.

The Company recognizes that its operations may be negatively affected by Year 2000 software issues, either from its own computer systems or its interactions with outside vendors. The Company is addressing the Year 2000 impact by establishing processes for evaluating and managing the risks associated with this issue. Starting in 1996, the Company developed a plan to replace or upgrade nearly all of its computer systems to make them Year 2000 compliant. Through 1999, the total cost of this effort is estimated to be \$19 million. Other software systems embedded in operating equipment such as elevators are also being replaced or upgraded. While the Company believes all necessary work will be completed in a timely fashion, there can be no guarantee that all systems will be compliant by the year 2000 within the estimated cost or that the systems of other companies and government agencies on which the Company relies will be converted timely.

Page 24 Nordstrom, Inc. and Subsidiaries

Management Discussion and Analysis

Liquidity and Capital Resources (continued)

In view of the decrease in the Company's debt to capital ratio that occurred over time, the Board of Directors approved \$100 million common stock repurchase programs in May of 1995, November of 1996 and again in February of 1997. The Company has repurchased 7,304,335 outstanding shares of its common stock under these programs.

Management and the Board of Directors continue to evaluate the Company's capital structure as a method to create value for the Company's shareholders. At the Board of Directors meeting in February, the Board approved an additional \$400 million share repurchase program. Much of this share repurchase program will be financed through additional debt, which will increase the Company's debt to capital ratio. With strong cash flows and favorable interest rates, management believes that this program does not significantly increase the financial risk of the Company.

Graph - Square Footage by Market Area at End of 1997

The pie chart shows the percent of total square feet in each region and also gives the number of square feet for that region. Clockwise: California, 33.8%, 4,258,000; Northwest, 21.3%, 2,692,000; Midwest, 14.8%, 1,867,000; East Coast, 22.9%, 2,883,000; Rack, 6.8% 857,000; Other, .4%, 57,000;

Page 25 Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Earnings

Dollars in thousands except per share amounts

Year ended January 31,	1998		1997		1996	
		% of sales		% of sales		% of sales
Net sales	\$4,851,624	100.0	\$4,453,063	100.0	\$4,113,517	100.0
Costs and expenses:						
Cost of sales and related buying and occupancy	3,295,813	67.9	3,082,037	69.2	2,806,250	68.2
Selling, general and administrative	1,322,929	27.3	1,217,590	27.3	1,120,790	27.2
Interest, net	34,250	0.7	39,400	0.9	39,295	1.0
Service charge income and other, net	(108,581)	(2.2)	(129,469)	(2.9)	(125,130)	(3.0)
Total costs and expenses	4,544,411	93.7	4,209,558	94.5	3,841,205	93.4
Earnings before income taxes	307,213	6.3	243,505	5.5	272,312	6.6
Income taxes	121,000	2.5	96,000	2.2	107,200	2.6
Net earnings	\$ 186,213	3.8	\$ 147,505	3.3	\$ 165,112	4.0
Basic earnings per share	\$2.40		\$1.82		\$2.02	
Diluted earnings per share	\$2.40		\$1.82		\$2.01	
Cash dividends paid per share	\$.53		\$.50		\$.50	

<FN>

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

Page 26 Nordstrom, Inc. and Subsidiaries

Consolidated Balance Sheets

Dollars in thousands

January 31,	1998	1997
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,794	\$ 28,284
Accounts receivable, net	664,448	714,589
Merchandise inventories	826,045	719,919
Prepaid income taxes and other	79,710	69,607
	-----	-----
Total current assets	1,594,997	1,532,399
Property, buildings and equipment, net	1,252,513	1,152,454
Other assets	17,653	17,654
	-----	-----
Total assets	\$2,865,163	\$2,702,507
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable	\$ 263,767	\$ 163,770
Accounts payable	321,311	310,430
Accrued salaries, wages and taxes	205,273	189,697
Accrued expenses	37,884	41,143
Accrued income taxes	13,242	13,045
Current portion of long-term debt	101,129	51,302
	-----	-----
Total current liabilities	942,606	769,387
Long-term debt	319,736	329,330
Deferred lease credits and other liabilities	127,763	130,598
Shareholders' equity	1,475,058	1,473,192
	-----	-----
Total liabilities and shareholders' equity	\$2,865,163	\$2,702,507
	=====	=====

<FN>

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

Page 27 Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

Dollars in thousands except per share amounts

Year ended January 31,	1998	1997	1996
Common Stock			
Authorized 250,000,000 shares, no par; issued and outstanding 76,259,052, 79,634,977, and 81,113,144 shares			
Balance at beginning of year	\$ 183,398	\$ 168,440	\$ 163,334
Issuance of common stock	17,652	14,958	5,106
	-----	-----	-----
Balance at end of year	201,050	183,398	168,440
	-----	-----	-----
Retained Earnings			
Balance at beginning of year	1,289,794	1,254,532	1,180,466
Net earnings	186,213	147,505	165,112
Cash dividends paid (\$.53, \$.50 and \$.50 per share)	(41,168)	(40,472)	(41,001)
Purchase and retirement of common stock	(160,831)	(71,771)	(50,045)
	-----	-----	-----
Balance at end of year	1,274,008	1,289,794	1,254,532
	-----	-----	-----
Total shareholders' equity	\$1,475,058	\$1,473,192	\$1,422,972
	=====	=====	=====

<FN>

The accompanying Notes to Consolidated Financial Statements are an

integral part of these statements.

Page 28 Nordstrom, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
[CAPTION]

Dollars in thousands

Year ended January 31,	1998	1997	1996
Operating Activities			
Net earnings	\$186,213	\$147,505	\$165,112
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	159,725	156,122	134,347
Change in:			
Accounts receivable, net	50,141	(7,262)	(218,036)
Merchandise inventories	(106,126)	(93,616)	1,627
Prepaid income taxes and other	(10,103)	(1,578)	(6,634)
Accounts payable	10,881	32,846	4,500
Accrued salaries, wages and taxes	15,576	6,132	(6,526)
Accrued expenses	(3,259)	5,124	5,422
Income tax liabilities	(2,091)	(12,216)	(12,621)
Deferred lease credits and other liabilities	(547)	15,824	54,743
Net cash provided by operating activities	300,410	248,881	121,934
Investing Activities			
Additions to property, buildings and equipment, net	(259,935)	(204,278)	(252,876)
Other, net	(49)	(1,838)	(1,103)
Net cash used in investing activities	(259,984)	(206,116)	(253,979)
Financing Activities			
Proceeds from accounts receivable securitization	-	186,600	-
Increase (decrease) in notes payable	99,997	(68,731)	145,113
Proceeds from issuance of long-term debt	91,644	57,729	140,859
Principal payments on long-term debt	(51,210)	(117,311)	(75,967)
Proceeds from issuance of common stock	17,652	14,958	5,106
Cash dividends paid	(41,168)	(40,472)	(41,001)
Purchase and retirement of common stock	(160,831)	(71,771)	(50,045)
Net cash (used in) provided by financing activities	(43,916)	(38,998)	124,065
Net (decrease) increase in cash and cash equivalents	(3,490)	3,767	(7,980)
Cash and cash equivalents at beginning of year	28,284	24,517	32,497
Cash and cash equivalents at end of year	\$ 24,794	\$ 28,284	\$ 24,517

<FN>

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

Page 29 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Dollars in thousands except per share amounts

Note 1: Summary of Significant Accounting Policies

The Company: Nordstrom, Inc. is a fashion specialty retailer offering a wide selection of high quality apparel, shoes and accessories for women, men and children, principally through 65 large specialty stores and 22 clearance stores. All of the Company's stores are located in the United States, with approximately 36% of its retail square footage located in the state of California.

The Company purchases a significant percentage of its merchandise from foreign countries, principally from the Far East. An event causing a disruption in imports from the Far East could have a material adverse impact on the Company's operations. In connection with the purchase of foreign merchandise, the Company has outstanding letters of credit totaling \$77,397 at January 31, 1998.

Basis of Presentation: The Consolidated Financial Statements include the accounts of Nordstrom, Inc. and its subsidiaries. All significant intercompany transactions and accounts are eliminated in consolidation. The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses in the accompanying financial statements. Actual results could differ from those estimates.

Merchandise Inventories: Merchandise inventories are stated at the lower of cost (first-in, first-out basis) or market, using the retail method.

(Note 1 continued)

Advertising: Costs for newspaper, television, radio and other media are generally expensed as incurred. Direct response advertising costs consisting primarily of catalog book production and printing costs are capitalized and amortized over the expected life of the catalog, not to exceed 6 months. Direct response advertising costs reported as prepaid assets are \$3,648 at January 31, 1998. Total advertising expenses were \$115,272, \$97,216 and \$90,616 in 1997, 1996 and 1995.

Property, Buildings and Equipment: Straight-line and accelerated methods are applied in the calculation of depreciation and amortization. Lives used for calculating depreciation and amortization rates for the principal asset classifications are as follows: buildings, 10 to 40 years; store fixtures and equipment, three to 15 years; leasehold improvements, life of lease or applicable shorter period.

Store Preopening Costs: Store opening and preopening costs are charged to expense when incurred.

Capitalization of Interest: The interest carrying costs of facilities being constructed are capitalized during their construction period based on the Company's weighted average borrowing rate.

Cash Equivalents: The Company considers all short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

Page 30 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Note 1 continued)

Customer Accounts Receivable: In accordance with industry practices, installments maturing in more than one year or deferred payment accounts receivable are included in current assets.

Cash Management: The Company's cash management system provides for the reimbursement of all major bank disbursement accounts on a daily basis. Accounts payable at January 31, 1998 and 1997 include \$4,361 and \$14,414 of checks drawn in excess of cash balances not yet presented for payment.

Deferred Lease Credits: Deferred lease credits are amortized on a straight-line basis over the life of the applicable lease.

Derivatives Policy: The Company limits its use of derivative financial instruments to the management of well-defined foreign currency and interest rate risks. Gains and losses related to hedges of anticipated transactions are deferred and recognized in operating results, or included in balance sheet amounts when the transaction occurs. The effect of these activities is not material to the Company's financial condition or results of operations. The Company has no off-balance sheet credit risk, and the fair value of derivative financial instruments at January 31, 1998 and 1997 is not material.

Fair Value of Financial Instruments: The carrying amount of cash equivalents and notes payable approximates fair value because of the short maturity of these instruments. The fair value of long-term debt, estimated using quoted market prices of the same or similar issues with the same remaining maturity, is approximately \$419,000 and \$374,000 at January 31, 1998 and 1997.

Reclassifications: Certain reclassifications of prior year balances have been made for consistent presentation with the current year.

Note 2: Employee Benefits

The Company provides a profit sharing plan for employees. The plan is fully funded by the Company and is non-contributory except for employee contributions made under Section 401(k) of the Internal Revenue Code. Under this provision of the plan, the Company provides matching contributions up to a stipulated percentage of employee contributions. Company contributions to the profit sharing portion of the plan vest over a seven year period. The Company contribution is established each year by the Board of Directors and totaled \$45,000, \$36,000 and \$40,000 in 1997, 1996 and 1995.

Note 3: Interest Expense

The components of interest expense are as follows:

Year ended January 31,	1998	1997	1996
Nordstrom, Inc.			
Short-term debt	\$ 3,847	\$ 432	\$ 69
Long-term debt	4,263	4,247	8,635
Nordstrom Credit, Inc.			
Short-term debt	7,084	12,703	10,184
Long-term debt	28,624	28,236	27,788
	-----	-----	-----
Total interest incurred	43,818	45,618	46,676
Less: Interest income	(1,221)	(1,395)	(2,204)
Capitalized interest	(8,347)	(4,823)	(5,177)
	-----	-----	-----
Interest, net	\$34,250	\$39,400	\$39,295
	=====	=====	=====

Page 31 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 4: Income Taxes

Income taxes consist of the following:

Year ended January 31,	1998	1997	1996
Current income taxes:			

Federal	\$ 98,464	\$ 88,414	\$ 94,855
State and local	18,679	18,150	19,649
	-----	-----	-----
Total current income taxes	117,143	106,564	114,504
	-----	-----	-----
Deferred income taxes:			
Current	(4,614)	(1,471)	(3,339)
Non-current	8,471	(9,093)	(3,965)
	-----	-----	-----
Total deferred income taxes	3,857	(10,564)	(7,304)
	-----	-----	-----
Total income taxes	\$121,000	\$ 96,000	\$107,200
	=====	=====	=====

A reconciliation of the statutory Federal income tax rate with the effective tax rate is as follows:

Year ended January 31,	1998	1997	1996
Statutory rate	35.00%	35.00%	35.00%
State and local income taxes, net of Federal income taxes	4.17	4.32	4.39
Other, net	0.21	0.10	(0.03)
	-----	-----	-----
Effective tax rate	39.38%	39.42%	39.36%
	=====	=====	=====

(Note 4 continued)

Deferred income taxes result from temporary differences in the timing of recognition of revenue and expenses for tax and financial statement reporting as follows:

Year ended January 31,	1998	1997	1996
Tax basis depreciation	\$ 281	(\$ 6,018)	(\$2,620)
Accrued expenses	(4,255)	(3,084)	(4,833)
Employee benefits	10,278	-	-
Other	(2,447)	(1,462)	149
	-----	-----	-----
Total deferred income taxes	\$3,857	(\$10,564)	(\$7,304)
	=====	=====	=====

These items comprise substantially all of the deferred tax asset and liability balances.

Note 5: Earnings Per Share

In 1997 the Company adopted Statement of Financial Accounting Standards No. 128 which requires disclosure of Basic and Diluted Earnings Per Share. All prior period earnings per share data has been restated to comply with this Statement.

Basic earnings per share are computed on the basis of the weighted average number of common shares outstanding during the year. Average shares outstanding were 77,486,280, 80,848,984, and 81,919,625 in 1997, 1996 and 1995.

Diluted earnings per share are computed on the basis of the weighted average number of common shares outstanding during the year plus dilutive common stock equivalents consisting of shares subject to stock options. Average shares outstanding including dilutive shares were 77,675,148, 80,962,379, and 82,058,767 in 1997, 1996 and 1995.

Options with an exercise price greater than the average market price were not included in the computation of diluted earnings per share. These options totaled 151,811, 357,082 and 204,225 in 1997, 1996 and 1995.

Page 32 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 6: Accounts Receivable

The components of accounts receivable are as follows:

January 31,	1998	1997
Customers	\$672,246	\$719,916
Other	22,586	21,466
Allowance for doubtful accounts	(30,384)	(26,793)
	-----	-----
Accounts receivable, net	\$664,448	\$714,589
	=====	=====

Credit risk with respect to accounts receivable is concentrated in the geographic regions in which the Company operates stores. At January 31, 1998 and 1997, approximately 40% and 43% of the Company's receivables were concentrated in California. Concentration of the remaining receivables is considered to be limited due to their geographical dispersion.

Bad debt expense totaled \$40,440, \$51,352 and \$39,589 in 1997, 1996 and 1995.

In August 1996, the Company transferred substantially all of its VISA credit card receivables (approximately \$203,000) to a trust in exchange for certificates representing undivided interests in the trust. A Class A certificate with a market value of \$186,600 was sold to a third party, and a Class B certificate, which is subordinated to the Class A certificate, was retained by the Company. The Company owns the remaining undivided interests in the trust not represented by the Class A and Class B certificates (the "Seller's Interest"). These transactions had no significant impact on the Company's earnings in 1996.

Cash flows generated from the receivables in the trust are, to the extent allocable to the investors, applied to the payment of interest on the Class A and Class B certificates, absorption of credit losses, and payment of servicing fees to the Company, which will continue to service the receivables for the trust. Excess cash flows revert to the Company. The Company's investment in the Class B certificate and the Seller's Interest totals \$20,407 and \$32,516 at January 31, 1998 and 1997, and is included in customer accounts receivable.

Pursuant to the terms of operative documents of the trust, in certain events the Company may be required to fund certain amounts pursuant to a recourse obligation for credit losses. Based on current cash flow projections, the Company does not believe any additional funding will be required.

Note 7: Property, Buildings and Equipment

Property, buildings and equipment consist of the following (at cost):

January 31,	1998	1997
Land and land improvements	\$ 52,339	\$ 50,542
Buildings	460,284	450,227

Leasehold improvements	825,950	740,802
Store fixtures and equipment	836,041	746,152
	-----	-----
	\$2,174,614	\$1,987,723
Less accumulated depreciation and amortization	(1,087,516)	(944,470)
	-----	-----
	1,087,098	1,043,253
Construction in progress	165,415	109,201
	-----	-----
Property, buildings and equipment, net	\$1,252,513	\$1,152,454
	=====	=====

At January 31, 1998, the Company has contractual commitments of approximately \$95,000 for construction of new stores.

At January 31, 1998, the net book value of property located in California is approximately \$295,000. The Company does not carry earthquake insurance in California because of its high cost.

Page 33 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 8: Notes Payable

A summary of notes payable is as follows:

Year ended January 31,	1998	1997	1996
Average daily short-term borrowings	\$193,811	\$242,033	\$173,343
Maximum amount outstanding	278,471	345,738	303,072
Weighted average interest rate:			
During the year	5.6%	5.4%	5.9%
At year-end	5.5%	5.3%	5.5%

At January 31, 1998, the Company has unsecured lines of credit with a group of commercial banks totaling \$500,000 which are available as liquidity support for short-term debt, and expire in July 2002. The lines of credit agreements contain restrictive covenants which, among other things, require the Company to maintain a certain minimum level of net worth and a coverage ratio of no less than 2 to 1. The Company pays commitment fees for the lines in lieu of compensating balance requirements.

Note 9: Long-Term Debt

A summary of long-term debt is as follows:

January 31,	1998	1997
Senior notes, 8.875%, due 1998	\$ 50,000	\$ 50,000
Medium-term notes, Nordstrom Credit, Inc., 6.875%-9.6%, due 1998-2002	253,350	211,000
Notes payable, Nordstrom Credit, Inc., 6.7%, due 2005	100,000	100,000
Other	17,515	19,632
	-----	-----
Total long-term debt	420,865	380,632
Less current portion	(101,129)	(51,302)
	-----	-----
Total due beyond one year	\$319,736	\$329,330

=====

The senior note agreement contains restrictive covenants which, among other things, restrict dividends to shareholders to a formula amount. At January 31, 1998, approximately \$856,388 of retained earnings is not restricted.

Aggregate principal payments on long-term debt are as follows: 1998-\$101,129; 1999-\$58,931; 2000-\$58,626; 2001-\$11,454; and 2002-\$77,247.

In March of 1998 the Company issued \$300,000 of fixed rate long-term debt.

Page 34 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 10: Leases

The Company leases land, buildings and equipment under noncancelable lease agreements with expiration dates ranging from 1998 to 2080. Certain of the leases include renewal provisions at the Company's option. Most of the leases provide for additional rentals based upon specific percentages of sales and require the Company to pay for certain other costs.

Future minimum lease payments as of January 31, 1998 are as follows: 1998-\$39,269; 1999-\$36,611; 2000-\$32,977; 2001-\$30,505; 2002-\$23,318; and thereafter-\$199,284.

The following is a schedule of rent expense:

Year ended January 31,	1998	1997	1996
Minimum rent:			
Store locations	\$16,869	\$15,468	\$15,864
Offices, warehouses and equipment	17,811	17,815	17,309
Contingent rent:			
Store location percentage rent	12,542	13,673	13,741
Common area costs, taxes and other	9,839	9,504	9,831
	-----	-----	-----
Total rent expense	\$57,061	\$56,460	\$56,745
	=====	=====	=====

Note 11: Stock Options

The Company provides a non-qualified stock option plan for certain key employees. Options are issued at market value at the date of grant and become exercisable over a four-year period. The number of shares reserved for future stock option grants is 4,848,189 at January 31, 1998.

The Company has elected to follow the measurement provisions of Accounting Principles Board (APB) Opinion No. 25, under which no recognition of expense is required in accounting for its stock options. If the Company had elected to follow the measurement provisions of Statement of Financial Accounting Standards No. 123 ("SFAS 123") in accounting for its stock options, compensation expense would be recognized based on the fair value of the options at the date of grant. To estimate compensation expense which would be recognized under SFAS 123, the Company used the modified Black-Scholes option-pricing model with the following weighted-average assumptions for options granted in 1997, 1996 and 1995, respectively: risk-free interest rates of 5.4%, 6.4% and 5.5%; expected volatility factors of .32, .33 and .34; expected dividend yield of 1% for all years; and expected life of 5 years for 1997 and 7 years for 1996 and 1995. The weighted-average fair value of stock

options granted was \$18, \$20 and \$17 per share in 1997, 1996 and 1995.

If SFAS 123 were used to account for the Company's stock option plan, the pro forma effect on net earnings and earnings per share would be as follows:

Year ended January 31,	1998	1997	1996
Pro forma net earnings	\$183,618	\$145,603	\$164,078
Pro forma basic earnings per share	\$2.37	\$1.80	\$2.00
Pro forma diluted earnings per share	\$2.36	\$1.80	\$2.00

The effects of applying SFAS 123 in this pro forma disclosure are not indicative of future amounts as awards prior to 1995 are not included, and additional awards in future years are anticipated.

Page 35 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

(Note 11 continued)

A summary of stock option activity follows:

	Shares	Weighted-Average Exercise Price
Outstanding, February 1, 1995	1,878,250	\$35
Granted	419,080	41
Exercised	(154,366)	28
Forfeited	(41,625)	39
	-----	-----
Outstanding, January 31, 1996	2,101,339	36
Granted	372,122	46
Exercised	(429,419)	31
Forfeited	(184,289)	40
	-----	-----
Outstanding, January 31, 1997	1,859,753	39
Granted	346,382	53
Exercised	(419,239)	34
Forfeited	(86,095)	44
	-----	-----
Outstanding, January 31, 1998	1,700,801	\$43
	=====	=====

There were 879,732, 995,372 and 1,139,638 shares exercisable as of January 31, 1998, 1997 and 1996 with weighted-average exercise prices of \$38, \$36 and \$33, respectively.

(Note 11 continued)

The following table summarizes information about stock options outstanding at January 31, 1998:

Range of Exercise Prices	Shares	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Prices
\$22-\$36	472,346	4	\$33

\$39-\$48	939,385	8	43
\$51-\$61	289,070	9	57
	-----	-----	-----
	1,700,801	7	\$43
	=====	=====	=====

The following table summarizes information about stock options exercisable at January 31, 1998:

Caption>

Range of Exercise Prices	Shares	Weighted-Average Exercise Price
\$22-\$36	472,346	\$33
\$39-\$48	377,928	44
\$51-\$61	29,458	55
	-----	-----
	879,732	\$38
	=====	=====

Note 12: Supplementary Cash Flow Information

Supplementary cash flow information includes the following:

Year ended January 31,	1998	1997	1996
Cash paid during the year for:			
Interest (net of capitalized interest)	\$ 35,351	\$ 43,356	\$ 42,248
Income taxes	126,606	106,982	121,212

Page 36 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 13: Credit Card and Financing Subsidiaries

Nordstrom National Credit Bank (the "Bank"), a wholly owned subsidiary of the Company, issues a credit card for use in Company stores, and in 1994 introduced a VISA card. Nordstrom Credit, Inc., also a wholly owned subsidiary, finances all receivables generated through the use of the proprietary card, and until August 1996, the VISA card. In August 1996, substantially all of the outstanding VISA receivables were transferred to a trust in connection with a securitization of the receivables. As a result of this transaction, Nordstrom Credit, Inc. no longer purchases and finances receivables generated through the use of the Bank's VISA card except to the extent that it maintains its interests in the Class B certificate and the Seller's Interest. The Bank securitizes all new VISA receivables through the trust.

Condensed combined financial information of these subsidiaries is as follows:

Year ended January 31,	1998	1997	1996
Service charge income	\$108,582	\$128,240	\$122,973
Other income	18,449	17,823	14,799
	-----	-----	-----
Total revenue	\$127,031	\$146,063	\$137,772
	-----	-----	-----

Net earnings	\$ 27,944	\$ 31,518	\$ 23,835
	=====	=====	=====

(Note 13 continued)

January 31,	1998	1997
Assets:		
Cash and cash equivalents	\$ 20,184	\$ 24,374
Accounts receivable, net	641,761	693,124
Other assets	7,434	7,846
	-----	-----
Total assets	\$669,379	\$725,344
	=====	=====
Liabilities and investment of Nordstrom, Inc.:		
Notes payable:		
Nordstrom, Inc.	-	\$ 54,000
Other	\$158,020	163,770
Accounts payable and accrued liabilities	24,068	65,576
Long-term debt	353,350	311,000
Investment of Nordstrom, Inc.	133,941	130,998
	-----	-----
Total liabilities and investment of Nordstrom, Inc.	\$669,379	\$725,344
	=====	=====

Page 37 Nordstrom, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 14: Selected Quarterly Data (unaudited)

Year ended January 31, 1998	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net sales	\$953,747	\$1,353,345	\$1,089,784	\$1,454,748	\$4,851,624
Gross profit	307,235	428,991	365,703	453,882	1,555,811
Earnings before income taxes	53,349	96,686	59,645	97,533	307,213
Net earnings	32,349	58,586	36,145	59,133	186,213
Basic and diluted earnings per share	.41	.76	.47	.76	2.40
Dividends per share	.125	.125	.14	.14	.53
Year ended January 31, 1997	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Net sales	\$905,962	\$1,241,464	\$984,440	\$1,321,197	\$4,453,063
Gross profit	288,850	379,576	319,062	383,538	1,371,026
Earnings before income taxes	42,897	74,081	55,736	70,791	243,505
Net earnings	25,897	44,781	34,036	42,791	147,505
Basic and diluted earnings per share	.32	.55	.42	.53	1.82
Dividends per share	.125	.125	.125	.125	.50

Page 38 Nordstrom, Inc. and Subsidiaries

Management and Independent Auditors' Report

Report of Management

The accompanying consolidated financial statements, including the notes thereto, and the other financial information presented in this Annual Report have been prepared by management. The financial statements have been prepared in accordance with generally accepted accounting principles and include amounts that are based upon our best estimates and judgments. Management is responsible for the consolidated financial statements, as well as

the other financial information in this Annual Report.

The Company maintains an effective system of internal accounting control. We believe that this system provides reasonable assurance that transactions are executed in accordance with management authorization, and that they are appropriately recorded, in order to permit preparation of financial statements in conformity with generally accepted accounting principles and to adequately safeguard, verify and maintain accountability of assets. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived.

The consolidated financial statements and related notes have been audited by Deloitte & Touche LLP, independent certified public accountants. The accompanying auditors' report expresses an independent professional opinion on the fairness of presentation of management's financial statements.

The Audit Committee of the Board of Directors is composed of the outside directors, and is responsible for recommending the independent certified public accounting firm to be retained for the coming year, subject to shareholder approval. The Audit Committee meets periodically with the independent auditors, as well as with management and internal auditors, to review accounting, auditing, internal accounting controls and financial reporting matters. The independent auditors and the internal auditors also meet privately with the Audit Committee.

John A. Goesling
Executive Vice President and Chief Financial Officer

Independent Auditors' Report

We have audited the accompanying consolidated balance sheets of Nordstrom, Inc. and subsidiaries as of January 31, 1998 and 1997, and the related consolidated statements of earnings, shareholders' equity and cash flows for each of the three years in the period ended January 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Nordstrom, Inc. and subsidiaries as of January 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 1998, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP
Seattle, Washington; March 17, 1998

Page 39 Nordstrom, Inc. and Subsidiaries

Ten Year Statistical Summary

Dollars in thousands except square footage and per share amounts

Year ended January 31,	1998	1997	1996	1995	1994	1993
Financial Position						
Customer accounts						
receivable, net	\$641,862	\$693,123	\$874,103	\$655,715	\$565,151	\$584,379
Merchandise inventories	826,045	719,919	626,303	627,930	585,602	536,739
Current assets	1,594,997	1,532,399	1,612,776	1,397,713	1,314,914	1,219,844
Current liabilities	942,606	769,387	818,523	679,652	618,154	503,015
Working capital	652,391	763,012	794,253	718,061	696,760	716,829
Working capital ratio	1.69	1.99	1.97	2.06	2.13	2.43
Property, buildings and						
equipment, net	1,252,513	1,152,454	1,103,298	984,195	845,596	824,142
Long-term debt	420,865	380,632	439,943	373,910	438,574	481,945
Debt/capital ratio	31.70	26.98	32.09	25.56	29.11	33.09
Shareholders' equity	1,475,058	1,473,192	1,422,972	1,343,800	1,166,504	1,052,031
Shares outstanding	76,259,052	79,634,977	81,113,144	82,244,098	82,059,128	81,974,797
Book value per share	19.34	18.50	17.54	16.34	14.22	12.83
Total assets	2,865,163	2,702,507	2,732,619	2,396,783	2,177,481	2,053,170
Operations						
Net sales	4,851,624	4,453,063	4,113,517	3,894,478	3,589,938	3,421,979
Costs and expenses:						
Cost of sales and						
related buying and						
occupancy	3,295,813	3,082,037	2,806,250	2,599,553	2,469,304	2,339,107
Selling, general and						
administrative	1,322,929	1,217,590	1,120,790	1,023,347	940,579	902,083
Interest, net	34,250	39,400	39,295	30,664	37,646	44,810
Service charge income						
and other, net	(108,581)	(129,469)	(125,130)	(94,644)	(88,509)	(86,140)
Total costs and expenses	4,544,411	4,209,558	3,841,205	3,558,920	3,359,020	3,199,860
Earnings before income						
taxes	307,213	243,505	272,312	335,558	230,918	222,119
Income taxes	121,000	96,000	107,200	132,600	90,500	85,500
Net earnings	186,213	147,505	165,112	202,958	140,418	136,619
Basic earnings per share	2.40	1.82	2.02	2.47	1.71	1.67
Diluted earnings per share	2.40	1.82	2.01	2.46	1.71	1.67
Dividends per share	.53	.50	.50	.385	.34	.32
Net earnings as a percent						
of net sales	3.84%	3.31%	4.01%	5.21%	3.91%	3.99%
Return on average						
shareholders' equity	12.63%	10.19%	11.94%	16.17%	12.66%	13.72%
Sales per square foot						
for Company-operated						
stores	384	377	382	395	383	381
Stores and Facilities						
Company-operated stores	92	83	78	76	74	72
Total square footage	12,614,000	11,754,000	10,713,000	9,998,000	9,282,000	9,224,000

Page 40 Nordstrom, Inc. and Subsidiaries

Dollars in thousands except square footage and per share amounts

Year ended January 31,	1992	1991	1990	1989
Financial Position				
Customer accounts				
receivable, net	\$585,490	\$558,573	\$519,656	\$465,929
Merchandise inventories	506,632	448,344	419,976	403,795
Current assets	1,177,638	1,090,379	1,011,148	913,986
Current liabilities	547,002	546,084	485,883	445,620
Working capital	630,636	544,295	525,265	468,366
Working capital ratio	2.15	2.00	2.08	2.05
Property, buildings and				
equipment, net	856,404	806,191	691,937	594,038
Long-term debt	511,000	489,172	468,412	389,216
Debt/capital ratio	40.74	43.59	43.78	43.12
Shareholders' equity	939,231	826,410	733,250	639,941
Shares outstanding	81,844,227	81,737,910	81,584,710	81,465,027

Book value per share	11.48	10.11	8.99	7.86
Total assets	2,041,875	1,902,589	1,707,420	1,511,703
Operations				
Net sales	3,179,820	2,893,904	2,671,114	2,327,946
Costs and expenses:				
Cost of sales and related buying and occupancy	2,169,437	2,000,250	1,829,383	1,563,832
Selling, general and administrative	831,505	747,770	669,159	582,973
Interest, net	49,106	52,228	49,121	39,977
Service charge income and other, net	(87,443)	(84,660)	(55,958)	(57,268)
Total costs and expenses	2,962,605	2,715,588	2,491,705	2,129,514
Earnings before income taxes				
	217,215	178,316	179,409	198,432
Income taxes	81,400	62,500	64,500	75,100
Net earnings	135,815	115,816	114,909	123,332
Basic earnings per share	1.66	1.42	1.41	1.51
Diluted earnings per share	1.66	1.42	1.40	1.51
Dividends per share	.31	.30	.28	.22
Net earnings as a percent of net sales				
	4.27%	4.00%	4.30%	5.30%
Return on average shareholders' equity				
	15.38%	14.85%	16.74%	21.03%
Sales per square foot for Company-operated stores				
	388	391	398	380
Stores and Facilities				
Company-operated stores	68	63	59	58
Total square footage	8,590,000	7,655,000	6,898,000	6,374,000

Page 41 Nordstrom, Inc. and Subsidiaries

Officers, Directors and Committees

Chairman

John J. Whitacre

45, Chairman of the Board of Directors

Co-Presidents

Blake W. Nordstrom

37, Co-President

Erik B. Nordstrom

34, Co-President

J. Daniel Nordstrom

35, Co-President

James A. Nordstrom

36, Co-President

Peter E. Nordstrom

35, Co-President

William E. Nordstrom

34, Co-President

Executive Vice Presidents

Jammie Baugh

44, Executive Vice President

Northwest General Manager

Gail A. Cottle

46, Executive Vice President

Product Development

John A. Goesling

52, Executive Vice President and Treasurer

Jack F. Irving

53, Executive Vice President

Faconnable

Robert J. Middlemas

41, Executive Vice President

Midwest General Manager

James R. O'Neal

39, Executive Vice President

California General Manager
Martha S. Wikstrom
41, Executive Vice President
East Coast General Manager

Vice Presidents
Laurie M. Black
38, Vice President
Women's Specialized Apparel Divisional Merchandise Manager
Northwest and California Group
Dale C. Crichton
49, Vice President
Cosmetics Corporate Merchandise Manager
Joseph V. Demarte
46, Vice President
Human Resources
Annette S. Dresser
37, Vice President
Bridge Apparel Divisional Merchandise Manager
Northwest Group
Tamela J. Hickel
37, Vice President
Southeast Regional Manager of Stores
Darrel J. Hume
50, Vice President
Midwest Regional Manager of Stores
David P. Lindsey
48, Vice President
Store Planning
David L. Mackie
49, Vice President
Legal and Real Estate
Jack H. Minuk
43, Vice President
Women's Shoes Corporate Merchandise Manager
Charles T. Mitchell
50, Vice President
Information Services
Suzanne R. Patneaude
51, Vice President
Designer Apparel Corporate Merchandise Manager
Joel T. Stinson
48, Vice President
Operations
Susan A. Wilson Tabor
52, Vice President
The Rack
Karen E. Purpur
54, Secretary

Page 42 Nordstrom, Inc. and Subsidiaries

Directors
Philip M. Condit
56, Director; Chairman and CEO, The Boeing Company
Seattle, WA
D. Wayne Gittinger
65, Director; Partner, Lane Powell Spears Lubersky
Seattle, WA
Enrique Hernandez, Jr.
42, Director; President and CEO,
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Pasadena, CA
Charles A. Lynch
70, Director; Chairman, Fresh Choice, Inc.
Santa Clara, CA
Ann D. McLaughlin
56, Director; Chairman, The Aspen Institute
Aspen, CO
John A. McMillan
66, Director
Bruce A. Nordstrom
64, Director
John N. Nordstrom

60, Director
Alfred E. Osborne, Jr.
53, Director; Director of the Harold Price Center
for Entrepreneurial Studies and Associate
Professor of Business Economics,
The Anderson School at UCLA
Los Angeles, CA
William D. Ruckelshaus
65, Director; A Principal in Madrona Investment
Group, LLC
Seattle, WA
Elizabeth Crownhart Vaughan
69, Director; President, Salar Enterprises
Portland, OR
John J. Whitacre
45, Chairman of the Board of Directors

Committees

Executive

John A. McMillan
Bruce A. Nordstrom
John N. Nordstrom

Audit

Philip M. Condit
Enrique Hernandez, Jr.
Charles A. Lynch
Ann D. McLaughlin
Alfred E. Osborne, Jr., Chair
William D. Ruckelshaus
Elizabeth Crownhart Vaughan

Compensation and Stock Option

D. Wayne Gittinger
Ann D. McLaughlin
John A. McMillan
Alfred E. Osborne, Jr.
William D. Ruckelshaus, Chair
Elizabeth Crownhart Vaughan

Finance

Philip M. Condit, Chair
John A. Goesling - ex officio
Enrique Hernandez, Jr.
Charles A. Lynch
John N. Nordstrom
Alfred E. Osborne, Jr.

Corporate Governance and Nominating

D. Wayne Gittinger, Chair
Charles A. Lynch
Ann D. McLaughlin
William D. Ruckelshaus
Elizabeth Crownhart Vaughan

Profit Sharing and Benefits

Joseph V. Demarte, Chair
D. Wayne Gittinger
J. Daniel Nordstrom
Peter E. Nordstrom
John J. Whitacre

Page 43 Nordstrom, Inc. and Subsidiaries

Retail Store Facilities

The following table sets forth certain information with respect to each of the stores operated by the Company. The Company also operates seven distribution centers and leases other space for administrative functions.

Location	Year opened or acquired	Present total store area/sq. ft
California Group		
South Coast Plaza	1978	235,000
Brea Mall	1979	195,000
Los Cerritos Center	1981	122,000
Fashion Valley Center	1981	156,000
Hillsdale Shopping Center	1982	149,000
Glendale Galleria	1983	147,000
University Towne Centre	1984	130,000
Topanga Plaza	1984	154,000
Stanford Shopping Center	1984	187,000
Broadway Plaza	1984	193,000
The Village at Corte Madera	1985	116,000
Westside Pavilion	1985	150,000
Horton Plaza	1985	151,000
The Galleria at South Bay	1985	161,000
Montclair Plaza	1986	134,000
North County Fair	1986	156,000
Valley Fair	1987	165,000
MainPlace Mall	1987	169,000
Stonestown Galleria	1988	174,000
Downtown San Francisco	1988	350,000
Arden Fair	1989	190,000
Stoneridge Mall	1990	173,000
Paseo Nuevo	1990	186,000
The Galleria at Tyler	1991	164,000
Santa Anita	1994	151,000

Location	Year opened or acquired	Present total store area/sq. ft
East Coast Group		
Tysons Corner Center	1988	253,000
The Fashion Centre at Pentagon City	1989	241,000
Garden State Plaza	1990	282,000
Montgomery Mall	1991	225,000
Menlo Park Mall	1991	266,000
Freehold Raceway Mall	1992	174,000
Towson Town Center	1992	205,000
Annapolis Mall	1994	162,000
The Mall at Short Hills	1995	188,000
The Westchester	1995	219,000
King of Prussia	1996	238,000
Westfarms	1997	189,000
Roosevelt Field	1997	241,000
Midwest Group		
Oakbrook Center	1991	249,000
Mall of America	1992	240,000
Old Orchard	1994	209,000
Woodfield Shopping Center	1995	215,000
Circle Centre Mall	1995	216,000
Dallas Galleria	1996	249,000
Somerset Collection North	1996	258,000
Beachwood Place	1997	231,000

Location	Year opened or acquired	total store area/sq. ft
Northwest Group		
Downtown Seattle <fn1>	1963	245,000
Lloyd Center	1963	150,000
Northgate Mall	1965	122,000
Tacoma Mall	1966	134,000
Downtown Portland	1966	174,000
Bellevue Square	1967	285,000
Southcenter Mall	1968	170,000
Yakima	1972	44,000
Spokane	1974	121,000
Washington Square	1974	189,000
Anchorage	1975	97,000
Vancouver Mall	1977	71,000
Alderwood Mall	1979	127,000
Salem Center	1980	71,000
Crossroads Plaza	1980	140,000
Fashion Place Mall	1981	110,000
Clackamas Town Center	1981	121,000
Ogden City Mall	1982	76,000
Park Meadows	1996	245,000

Other		
Faconnable-New York	1993	10,000
Faconnable-Beverly Hills	1997	17,000
Faconnable-South Coast Plaza	1997	8,000
Ala Moana-Women's	1997	14,000
Ala Moana-Men's	1997	8,000

<FN>

<fn1>

1 Excludes approximately 23,000 square feet of corporate and administrative offices.

Location	Year opened or acquired	Present total store area/sq. ft
Rack Group		
Clackamas Rack	1983	28,000
Metro Point Rack	1983	50,000
Woodland Hills Rack	1984	48,000
Alderwood Rack	1985	25,000
Mission Valley Rack	1985	57,000
Downtown Portland Rack	1986	19,000
Chino Town Square Rack	1987	30,000
280 Metro Center Rack	1987	31,000
Downtown Seattle Rack	1987	42,000
Bellis Fair Rack	1990	20,000
Marina Square Rack	1990	44,000
Potomac Mills Rack	1990	46,000
Sugarhouse Center Rack	1991	31,000
Towson Rack	1992	31,000
City Place Rack	1992	37,000
Last Chance	1992	48,000
Franklin Mills Rack	1993	43,000
Woodfield Rack	1994	45,000
SuperMall Rack	1995	48,000
Village Square Rack	1996	40,000
Factoria Rack	1997	46,000
The Mall at the Source Rack	1997	48,000

Shareholder Information

Independent Auditors
Deloitte & Touche LLP

Counsel
Lane Powell Spears Lubersky

Transfer Agent and Registrar
ChaseMellon Shareholder Services
Telephone (800) 522-6645

General Offices
1501 Fifth Avenue, Seattle, WA 98101-1603
Telephone (206) 628-2111

Annual Meeting
May 19, 1998 at 11:00 a.m. Pacific Daylight Time

The Ritz Carlton
San Francisco, CA

Form 10-K
The Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended January, 31, 1998 will be provided to shareholders upon written request to:
Investors Relations, Nordstrom, Inc.,
P.O. Box 2737
Seattle, WA 98111
or by calling (206) 233-6301.

Shareholder Information Line
In order to provide our shareholders with information about the Company in a more timely manner, we have established a shareholder information line.
To obtain the latest financial releases and updates as soon as they are available, call 1-800-667-3920.

Page 46 Nordstrom, Inc. and Subsidiaries

Appendix

Graph	Page
- -----	
Net Sales	2
Net Earnings	2
Percentage of 1997 Sales by Merchandise Category	22
Investing and Operating Cash Flows	24
Square Footage by Market Area at end of 1997	25