



-----

Page  
Number

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)	
Condensed Consolidated Statements of Earnings Quarter and Year to Date ended November 1, 2003 and October 31, 2002	3
Condensed Consolidated Balance Sheets November 1, 2003, January 31, 2003 and October 31, 2002	4
Condensed Consolidated Statements of Cash Flows Year to Date ended November 1, 2003 and October 31, 2002	5
Notes to Condensed Consolidated Financial Statements	6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11
--	----

Item 4. Controls and Procedures	17
---------------------------------	----

PART II. OTHER INFORMATION

Item 1. Legal Proceedings	17
---------------------------	----

Item 6. Exhibits and Reports on Form 8-K	17
--	----

SIGNATURES	18
------------	----

NORDSTROM, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS  
 (dollars in thousands except per share amounts)  
 (unaudited)

	Quarter Ended		Year to Date Ended	
	November 1, 2003	October 31, 2002	November 1, 2003	October 31, 2002
Net sales	\$1,420,610	\$1,323,201	\$4,559,124	\$4,224,490
Cost of sales and related buying and occupancy	(911,314)	(872,154)	(2,991,967)	(2,799,277)
Gross profit	509,296	451,047	1,567,157	1,425,213
Selling, general and administrative expenses	(450,622)	(434,921)	(1,381,308)	(1,317,920)
Operating income	58,674	16,126	185,849	107,293
Interest expense, net	(26,681)	(20,832)	(73,043)	(60,486)
Minority interest purchase and reintegration costs	-	-	-	(53,168)
Service charge income and other, net	42,576	35,006	114,289	103,651
Earnings before income taxes and cumulative effect of accounting change	74,569	30,300	227,095	97,290
Income tax expense	(29,100)	(11,873)	(88,600)	(53,741)
Earnings before cumulative effect of accounting change	45,469	18,427	138,495	43,549
Cumulative effect of accounting change (net of tax of \$8,541)	-	-	-	(13,359)
Net earnings	\$ 45,469	\$ 18,427	\$ 138,495	\$ 30,190
Basic earnings per share	\$ .33	\$ .14	\$ 1.02	\$ .22
Diluted earnings per share	\$ .33	\$ .14	\$ 1.01	\$ .22
Cash dividends paid per share of common stock outstanding	\$ .10	\$ .10	\$ .30	\$ .28

<fn>

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

NORDSTROM, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(dollars in thousands)

	November 1, 2003	January 31, 2003	October 31, 2002
	----- (Unaudited)	----- (Audited)	----- (Unaudited)
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 154,490	\$ 219,344	\$ 53,658
Accounts receivable, net	606,172	639,630	623,421
Retained interest in accounts receivable	227,340	124,543	97,936
Merchandise inventories	1,189,996	953,112	1,278,932
Prepaid expenses	50,083	40,261	46,860
Other current assets	111,965	111,138	102,829
	-----	-----	-----
Total current assets	2,340,046	2,088,028	2,203,636
Land, buildings and equipment (net of accumulated depreciation of \$2,051,968, \$1,882,976, and \$1,825,759)	1,736,617	1,761,544	1,754,288
Goodwill, net	56,609	56,609	56,609
Tradename, net	84,000	84,000	84,000
Other assets	155,767	121,726	123,239
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$4,373,039</b>	<b>\$4,111,907</b>	<b>\$4,221,772</b>
	=====	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Current Liabilities:			
Notes payable	\$ 486	\$ 244	\$ 571
Accounts payable	647,708	429,808	702,181
Accrued salaries, wages and related benefits	261,200	260,562	226,840
Income taxes and other accruals	200,133	188,986	158,095
Current portion of long-term debt	6,198	5,545	4,386
	-----	-----	-----
Total current liabilities	1,115,725	885,145	1,092,073
Long-term debt	1,236,287	1,341,826	1,343,423
Deferred lease credits	376,007	383,100	360,116
Other liabilities	143,726	128,972	101,093
Shareholders' Equity:			
Common stock, no par:			
500,000,000 shares authorized;			
136,970,748, 135,444,041 and			
135,427,913 shares issued			
and outstanding	384,193	358,069	357,567
Unearned stock compensation	(671)	(2,010)	(2,177)
Retained earnings	1,111,864	1,014,105	967,614
Accumulated other comprehensive earnings	5,908	2,700	2,063
	-----	-----	-----
Total shareholders' equity	1,501,294	1,372,864	1,325,067
	-----	-----	-----
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$4,373,039</b>	<b>\$4,111,907</b>	<b>\$4,221,772</b>
	=====	=====	=====

&lt;fn&gt;

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

NORDSTROM, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(dollars in thousands)  
(unaudited)

	Year to Date Ended	
	November 1, 2003	October 31, 2002
	-----	-----
OPERATING ACTIVITIES:		
Net earnings	\$138,495	\$30,190
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	185,163	169,851
Amortization of deferred lease credits and other, net	(20,316)	(14,623)
Stock-based compensation expense	9,548	3,442
Deferred income taxes, net	3,325	8,097
Cumulative effect of accounting change, net of tax	-	13,359
Impairment of IT investment	-	15,570
Minority interest purchase expense	-	40,389
Change in operating assets and liabilities:		
Accounts receivable, net	42,221	22,117
Retained interest in accounts receivable	(100,814)	(36,498)
Merchandise inventories	(234,246)	(372,605)
Prepaid expenses	(4,003)	(5,895)
Other assets	(6,437)	4,693
Accounts payable	206,355	189,212
Accrued salaries, wages and related benefits	(9,015)	(12,268)
Income taxes and other accruals	6,478	13,185
Other liabilities	8,913	4,006
	-----	-----
Net cash provided by operating activities	225,667	72,222
	-----	-----
INVESTING ACTIVITIES:		
Capital expenditures	(204,536)	(263,855)
Additions to deferred lease credits	37,157	83,021
Minority interest purchase	-	(70,000)
Other, net	(1,037)	(4,661)
	-----	-----
Net cash used for investing activities	(168,416)	(255,495)
	-----	-----
FINANCING ACTIVITIES:		
Proceeds from notes payable	226	423
Proceeds from long-term borrowings	-	432
Principal payments on long-term debt	(109,374)	(84,593)
Proceeds from sale of interest rate swap	2,341	4,931
Proceeds from issuance of common stock	25,438	15,662
Cash dividends paid	(40,736)	(37,779)
	-----	-----
Net cash used for financing activities	(122,105)	(100,924)
	-----	-----
Net decrease in cash and cash equivalents	(64,854)	(284,197)
Cash and cash equivalents at beginning of period	219,344	337,855
	-----	-----
Cash and cash equivalents at end of period	\$154,490	\$53,658
	=====	=====

&lt;fn&gt;

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

NORDSTROM, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(dollars in thousands)  
(unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

-----  
The accompanying condensed consolidated financial statements should be read in conjunction with the Notes to Consolidated Financial Statements contained in our 2002 Annual Report. The same accounting policies are followed for preparing quarterly and annual financial data. All adjustments necessary for the fair presentation of the results of operations, financial position and cash flows have been included and are of a normal, recurring nature.

Due to the seasonal nature of the retail industry, quarterly results are not necessarily indicative of the results for the full fiscal year.

Reclassification

-----  
We reclassified certain prior year amounts to conform to the current year presentation.

Change in Fiscal Year

-----  
On February 1, 2003, our fiscal year-end changed from January 31 to the Saturday closest to January 31. Each fiscal year consists of four 13 week quarters, with an extra week added onto the fourth quarter every five to six years. A one-day transition period is included in our first quarter 2003 results.

Stock Compensation

-----  
We apply APB No. 25, "Accounting for Stock Issued to Employees," in measuring compensation costs under our stock-based compensation programs, which are described more fully in our 2002 Annual Report.

If we had elected to recognize compensation cost based on the fair value of the options and shares at grant date, net earnings and earnings per share would have been as follows:

	Quarter Ended		Year to Date Ended	
	November 1, 2003	October 31, 2002	November 1, 2003	October 31, 2002
	-----	-----	-----	-----
Net earnings, as reported	\$45,469	\$18,427	\$138,495	\$30,190
Add: stock-based compensation expense included in reported net income, net of tax	4,615	580	5,483	1,740
Deduct: stock-based compensation expense determined under fair value, net of tax	(7,390)	(5,499)	(17,878)	(17,870)
Pro forma net earnings	\$42,694	\$13,508	\$126,100	\$14,060
	=====	=====	=====	=====
Earnings per share:				
Basic - as reported	\$0.33	\$0.14	\$1.02	\$0.22
Diluted - as reported	\$0.33	\$0.14	\$1.01	\$0.22
Basic - pro forma	\$0.31	\$0.10	\$0.93	\$0.10
Diluted - pro forma	\$0.31	\$0.10	\$0.92	\$0.10

NORDSTROM, INC. AND SUBSIDIARIES  
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (dollars in thousands)  
 (unaudited)

Note 1 - Summary of Significant Accounting Policies (Cont.)

Recent Accounting Pronouncements

-----  
 In January 2003, the FASB issued Interpretation No. 46 (FIN 46) "Consolidation of Variable Interest Entities", which requires the consolidation of variable interest entities (VIEs). An entity is considered to be a VIE when its equity investors lack controlling financial interest or the entity has insufficient capital to finance its activities without additional subordinated financial support. Consolidation of a VIE by an investor is required when it is determined that the majority of the entity's expected losses or residual returns will be absorbed by that investor. FIN 46 is effective for variable interest entities created or acquired after January 31, 2003. For variable interest entities created before February 1, 2003, FIN 46 must be applied for the first interim or annual period ending after December 15, 2003. We do not believe the adoption of FIN 46 will have an impact on our financial statements.

Note 2 - Goodwill and Other Intangible Assets

The carrying amounts of our intangible assets are as follows:

	Retail Stores segment	Catalog/ Internet segment	Total
	Goodwill	Tradename	Goodwill
Balance as of February 1, 2003	\$ 40,893	\$ 84,000	\$ 15,716
and November 1, 2003			\$ 140,609

The purchase of the minority interest of Nordstrom.com in the first quarter of 2002 resulted in additional goodwill of \$24,178, of which \$8,462 was allocated to the Retail Stores reporting unit and \$15,716 to the Catalog/Internet reporting unit. Goodwill of \$32,431 and Tradename of \$84,000 are assigned to the Faconnable reporting unit.

Note 3 - Earnings Per Share

	Quarter Ended		Year to Date Ended	
	November 1, 2003	October 31, 2002	November 1, 2003	October 31, 2002
Net earnings	\$45,469	\$18,427	\$138,495	\$30,190
Basic shares	136,303,837	135,207,627	135,907,488	134,995,245
Basic earnings per share	\$0.33	\$0.14	\$1.02	\$0.22
Dilutive effect of stock options and performance share units	1,799,263	558,141	751,286	724,165
Diluted shares	138,103,100	135,765,768	136,658,774	135,719,410
Diluted earnings per share	\$0.33	\$0.14	\$1.01	\$0.22
Antidilutive stock options	2,974,349	8,692,657	7,578,056	6,546,645

NORDSTROM, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(dollars in thousands)  
(unaudited)

Note 4 - Accounts Receivable

The components of accounts receivable are as follows:

	November 1, 2003	January 31, 2003	October 31, 2002
	-----	-----	-----
Trade receivables:			
Unrestricted	\$29,728	\$15,599	\$19,895
Restricted	567,396	613,647	601,535
Allowance for doubtful accounts	(20,746)	(22,385)	(22,381)
	-----	-----	-----
Trade receivables, net	576,378	606,861	599,049
Other	29,794	32,769	24,372
	-----	-----	-----
Accounts receivable, net	\$606,172	\$639,630	\$623,421
	=====	=====	=====

The restricted private label receivables back the \$300 million Class A notes and the \$200 million variable funding note issued by us in November 2001. Other accounts receivable consist primarily of vendor receivables and cosmetic rebates receivable. As all vendor receivables are fully earned at period end, no allowance for doubtful vendor receivables has been recorded.

Note 5 - Debt

In the third quarter, we purchased \$62,405 of our 8.95% senior notes for a total cash payment of \$72,925. Approximately \$7,880 of expense was recognized in the third quarter of 2003 related to this purchase.

Year to date we have purchased \$103,230 of our 8.95% senior notes and \$2,500 of our 6.7% medium-term notes for a total cash payment of \$122,979. Approximately \$14,303 of expense has been recognized during the year related to these purchases.

We entered into a variable interest rate swap agreement in the second quarter of 2003. The swap qualifies as a fair value hedge and is recorded at its market value of (\$10,884) in other liabilities.



(dollars in thousands)  
(unaudited)

Note 6 - Segment Reporting

The following tables set forth the information for our reportable segments and a reconciliation to the consolidated totals:

Quarter ended	Retail	Credit	Catalog/	Corporate		
November 1, 2003	Stores	Operations	Internet	and Other	Eliminations	Total
-----						
Revenues from external customers	\$1,352,542	-	\$68,068	-	-	\$1,420,610
Service charge income	-	\$35,837	-	-	-	35,837
Intersegment revenues	6,245	6,942	-	-	\$(13,187)	-
Interest expense, net	390	5,549	(62)	\$20,804	-	26,681
Earnings before taxes	121,136	3,853	(482)	(49,938)	-	74,569
Net earnings (loss)	73,864	2,350	(295)	(30,450)	-	45,469
-----						
Quarter ended	Retail	Credit	Catalog/	Corporate		
October 31, 2002	Stores	Operations	Internet	and Other	Eliminations	Total
-----						
Revenues from external customers	\$1,261,124	-	\$62,077	-	-	\$1,323,201
Service charge income	-	\$33,311	-	-	-	33,311
Intersegment revenues	9,492	7,157	-	-	\$(16,649)	-
Interest expense, net	119	6,054	382	\$14,277	-	20,832
Earnings before taxes and cumulative effect of accounting change	86,274	4,963	(4,051)	(56,886)	-	30,300
Net earnings (loss)	52,506	3,020	(2,463)	(34,636)	-	18,427
-----						
Year to date ended	Retail	Credit	Catalog/	Corporate		
November 1, 2003	Stores	Operations	Internet	and Other	Eliminations	Total
-----						
Revenues from external customers	\$4,353,627	-	\$205,497	-	-	\$4,559,124
Service charge income	-	\$104,506	-	-	-	104,506
Intersegment revenues	20,766	24,180	-	-	\$(44,946)	-
Interest expense, net	508	16,364	(74)	\$56,245	-	73,043
Earnings before taxes	379,128	15,559	(1,967)	(165,625)	-	227,095
Net earnings (loss)	231,213	9,489	(1,200)	(101,007)	-	138,495
Assets	2,940,898	810,184	103,433	518,524	-	4,373,039
-----						
Year to date ended	Retail	Credit	Catalog/	Corporate		
October 31, 2002	Stores	Operations	Internet	and Other	Eliminations	Total
-----						
Revenues from external customers	\$4,040,382	-	\$184,108	-	-	\$4,224,490
Service charge income	-	\$97,773	-	-	-	97,773
Intersegment revenues	22,731	23,265	-	-	\$(45,996)	-
Interest expense, net	120	17,967	719	\$41,680	-	60,486
Earnings before taxes and cumulative effect of accounting change	300,673	18,431	(20,074)	(201,740)	-	97,290
Net earnings (loss)	169,950	11,237	(12,238)	(138,759)	-	30,190
Assets	2,981,671	710,215	97,497	432,389	-	4,221,772

Note 7 - Nordstrom.com

During 2002, we purchased the outstanding shares of Nordstrom.com, Inc. series C preferred stock for \$70,000. The excess of the purchase price over the fair market value of the preferred stock and professional fees resulted in a one-time charge of \$42,736. No tax benefit was recognized on the share purchase, as we do not believe it is probable that this benefit will be realized. The impact of not recognizing this income tax benefit increased our prior year to date effective tax rate to 55.2% before the cumulative effect of accounting change.

(dollars in thousands)  
(unaudited)

Note 7 - Nordstrom.com (Cont.)

Also in 2002, \$10,432 of expense was recognized related to the purchase of the outstanding Nordstrom.com options and warrants.

The following table presents the charges resulting from the minority interest purchase and reintegration of Nordstrom.com.

	Nine Months Ended October 31, 2002 -----
Excess of the purchase price over the fair market value of the preferred stock	\$40,389
Nordstrom.com option/warrant buyback expense	10,432
Professional fees incurred	2,347
	-----
Total minority interest purchase and reintegration costs	\$53,168 =====

Note 8 - Litigation

Cosmetics  
-----

We were originally named as a defendant along with other department store and specialty retailers in nine separate but virtually identical class action lawsuits filed in various Superior Courts of the State of California in May, June and July 1998 that have now been consolidated in Marin County Superior Court. In May 2000, plaintiffs filed an amended complaint naming a number of manufacturers of cosmetics and fragrances and two other retailers as additional defendants. Plaintiffs' amended complaint alleges that the retail price of the "prestige" or "Department Store" cosmetics sold in department and specialty stores was collusively controlled by the retailer and manufacturer defendants in violation of the Cartwright Act and the California Unfair Competition Act.

Plaintiffs seek treble damages and restitution in an unspecified amount, attorneys' fees and prejudgment interest, on behalf of a class of all California residents who purchased cosmetics and fragrances for personal use from any of the defendants during the four years prior to the filing of the amended complaint. Defendants, including us, have answered the amended complaint denying the allegations. The defendants have produced documents and responded to plaintiffs' other discovery requests, including providing witnesses for depositions.

We entered into a settlement agreement with the plaintiffs and the other defendants on July 16, 2003. In furtherance of the settlement agreement, the case was refiled in the United States District Court for the Northern District of California on behalf of a class of all persons who currently reside in the United States and who purchased "Department Store" cosmetics from the defendants during the period May 29, 1994 through July 16, 2003. The Court has given preliminary approval to the settlement. A summary notice of class certification and the terms of the settlement will be disseminated to class members. A hearing on whether the Court will grant final approval of the settlement is scheduled for June 8, 2004. If approved by the Court, the settlement will result in the plaintiffs' claims and the claims of all class members being dismissed, with prejudice, in their entirety. In connection with the settlement agreement, the defendants will provide class members with certain free products and pay the plaintiffs' attorneys' fees. Our share of the cost of the settlement will not have a material adverse effect on our financial condition.

10 of 18

Note 8 - Litigation (Cont.)

We have entered into the settlement agreement solely to avoid protracted and costly litigation. There has been no finding or admission of any wrongdoing by us in this lawsuit.

Other  
-----

We are subject to routine litigation incidental to our business. No material liability is expected.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Dollars in Thousands

The following discussion should be read in conjunction with the Management's Discussion and Analysis section of the 2002 Annual Report.

RESULTS OF OPERATIONS:  
-----

Overview  
-----

Earnings for the third quarter of 2003 increased to \$45,469 or \$0.33 per diluted share from \$18,427 or \$0.14 per diluted share for the same period in 2002. This increase was driven by a 5.0% increase in same store sales, improved margin due to lower markdowns, leveraging on buying and occupancy expenses as well as selling, general and administrative expenses and overall expense control.

Earnings for the year to date period ended November 1, 2003 increased to \$138,495 or \$1.01 per diluted share from \$30,190 or \$0.22 per diluted share for the same period in 2002. The increase for the year to date period was partially attributable to charges taken in 2002 to write-off an IT investment, acquire and reintegrate the minority interest of Nordstrom.com and to adopt a new accounting pronouncement.

Excluding the nonrecurring and impairment charges taken in 2002, year to date earnings increased \$37,264 or 36.8% when compared to the same period last year. This increase was the result of a 2.6% increase in same store sales, leveraging on buying and occupancy expenses as well as selling, general and administrative expenses and overall expense control.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Year-over-year net income before and after nonrecurring and impairment charges are as follows:

Year to Date Ended	
-----	
November 1, 2003	October 31, 2002

	Dollars	Diluted EPS	Dollars	Diluted EPS
Reported net income	\$138,495	\$1.01	\$30,190	\$0.22
Nonrecurring and impairment charges, net of tax:				
Minority interest purchase and reintegration costs	-	-	48,184	0.36
Cumulative effect of accounting change	-	-	13,359	0.10
Write-off of IT investment	-	-	9,498	0.07
Net income before nonrecurring and impairment charges	\$138,495	\$1.01	\$101,231	\$0.75

#### Sales

Total sales for the quarter and year to date on a 4-5-4 comparable basis increased 9.8% and 7.2% due to same store sales increases and store openings. Same store sales on a 4-5-4 comparable basis increased 5.0% for the quarter and 2.6% year to date due to several factors, including a strong merchandise offering and an improved retail climate. Year to date sales also benefited from strong sales events. For the twelve months ended November 1, 2003, we have opened four full-line stores and two Nordstrom Rack stores. See our GAAP sales reconciliation on page 14.

Our strongest performing merchandise divisions for the quarter were women's designer apparel, accessories, shoes, cosmetics, women's active wear and men's wear. Our weakest divisions were women's special sizes and children's apparel.

#### Gross Profit

	QTD 2003	QTD 2002	YTD 2003	YTD 2002
Gross profit as a percent of sales	35.9%	34.1%	34.4%	33.7%

Gross profit as a percentage of sales improved 176 basis points for the quarter and 64 basis points for the year to date period ended November 1, 2003, compared to the same periods last year. The quarter performance was due to lower markdowns, which resulted from better inventory management, and leveraging of buying and occupancy expenses. Year to date performance was driven by the leveraging of buying and occupancy expenses. Inventory levels continued to show favorable trends as overall inventory control resulted in a 10.8% decrease in our inventory per square foot.

#### Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

##### Selling, General and Administrative

QTD 2003	QTD 2002	YTD 2003	YTD 2002
----------	----------	----------	----------

Selling, general and administrative expense as a percent of sales	31.8%	32.9%	30.3%	31.1%
---	-------	-------	-------	-------

The year to date 2002 selling, general and administrative expense includes an impairment charge of \$15,570 related to the write-down of an information technology investment in a supply chain tool at our manufacturing division. Without this charge, 2002 selling, general and administrative expenses as a percentage of sales on a year to date basis would have been 30.8%.

Excluding the effects of the impairment charge, the quarter and year to date decreases resulted from leverage on better than expected same store sales and overall expense control. We saw the most significant improvements in information technology expenses, selling expenses and distribution costs.

Interest Expense

Interest expense, net increased \$5,849 for the quarter ended November 1, 2003 when compared to the same period in 2002 due to \$7,880 in additional expense resulting from the repurchase of \$62,405 in debt during the quarter. The additional expense was partially offset by lower interest expense resulting from the reduced debt balance outstanding. Year to date we have repurchased \$105,730 in debt resulting in additional expense of \$14,303.

Service Charge Income and Other

Service charge income and other, net increased for the quarter and year to date periods ended November 1, 2003 primarily due to gains recorded from our VISA securitization. Securitization gains continued as increased sales on our VISA cards have resulted in higher receivable balances and related revenues, while the cost of funds declined and bad debt write-offs remained stable. Additionally, during the quarter we recorded approximately \$4,048 in gains resulting from the relocation of two of our stores.

Minority Interest Purchase and Reintegration Costs

During 2002, we purchased the outstanding shares of Nordstrom.com, Inc. series C preferred stock for \$70,000. The excess of the purchase price over the fair market value of the preferred stock and professional fees resulted in a one-time charge of \$42,736. No tax benefit was recognized on the share purchase, as we do not believe it is probable that this benefit will be realized. The impact of not recognizing this income tax benefit increased our prior year to date effective tax rate to 55.2% before the cumulative effect of accounting change.

Also in 2002, \$10,432 of expense was recognized related to the purchase of the outstanding Nordstrom.com options and warrants.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

The following table presents the charges resulting from the minority interest purchase and reintegration of Nordstrom.com:

Nine Months  
Ended  
October 31, 2002  
-----

Excess of the purchase price over the

fair market value of the preferred stock	\$40,389
Nordstrom.com option/warrant buyback expense	10,432
Professional fees incurred	2,347
	-----
Total minority interest purchase and reintegration costs	\$53,168
	=====

Cumulative Effect of Accounting Change

-----  
During the first quarter of 2002, we completed the initial review required by SFAS No. 142 "Goodwill and Other Intangible Assets." As a result of our review, we recorded a cumulative effect of accounting change of \$13,359, net of tax, or \$0.10 per share on a diluted basis.

Seasonality

-----  
Our business, like that of other retailers, is subject to seasonal fluctuations. Our anniversary sale in July and the holidays in December result in higher sales in the second and fourth quarters of the fiscal year. Accordingly, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

GAAP Sales Reconciliation (Dollars in millions)

-----  
We converted to a 4-5-4 Retail Calendar at the beginning of 2003. This change in our fiscal calendar has resulted in one less day of sales being included in our second quarter versus the same period in the prior year and one additional day of sales for the current year to date versus the same period last year. Sales performance numbers included in this document have been calculated on a comparative 4-5-4 basis. We believe that adjusting for the difference in days provides a more comparable basis (4-5-4 vs 4-5-4) from which to evaluate sales performance. The following reconciliation bridges the reported GAAP sales to the 4-5-4 comparable sales.

Sales Reconciliation (\$M)	QTD 2003	QTD 2002	Dollar Increase	% Change Total Sales	% Change Comp Sales
-----	-----	-----	-----	-----	-----
Number of Days Reported GAAP	91	92			
Reported GAAP Sales	\$1,420.6	\$1,323.2	\$97.4	7.4%	2.5%
Less Aug. 1-3, 2002 sales	-	(\$72.9)			
Plus Nov 1-2, 2002 sales	-	\$43.2			
Reported 4-5-4 sales	\$1,420.6	\$1,293.5	\$127.1	9.8%	5.0%
4-5-4 Adjusted Days	91	91			

14 of 18

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Sales Reconciliation (\$M)	YTD 2003	YTD 2002	Dollar Increase	% Change Total Sales	% Change Comp Sales
-----	-----	-----	-----	-----	-----
Number of Days Reported GAAP	274	273			
Reported GAAP Sales	\$4,559.1	\$4,224.5	\$334.6	7.9%	2.9%
Less Feb. 1, 2003	(\$18.2)	-			

Less Feb. 1-2, 2002 sales	-	(\$30.4)			
Plus Nov. 1-2, 2002 sales	-	\$43.2			
Reported 4-5-4 sales	\$4,540.9	\$4,237.3	\$303.6	7.2%	2.6%
4-5-4 Adjusted Days	273	273			

LIQUIDITY AND CAPITAL RESOURCES:

-----  
We finance our working capital needs and capital expenditures with cash provided by operations and borrowings.

Cash Flow from Operations

-----  
Net cash provided by operating activities for the year to date period ended November 1, 2003 increased compared to the same period last year. This increase was primarily a result of a decrease in inventory due to overall inventory control, partially offset by an increase in the retained interest of our VISA securitization. The increase in the retained interest was a result of increased sales on our VISA card.

Capital Expenditures

-----  
For the year to date period ended November 1, 2003, net cash used in investing activities decreased primarily due to the \$70,000 payment for the acquisition of the outstanding shares of Nordstrom.com, Inc. series C preferred stock in 2002. In addition, net capital expenditures decreased from a planned reduction in store openings.

We opened two full-line stores in Austin, TX and Richmond, VA during the third quarter of 2003 as well as two Nordstrom Rack stores in Chicago, IL and Sunrise, FL. Year to date, we have opened a total of three full-line stores and two Nordstrom Rack stores. Additionally, in November 2003, we opened a full-line store in Wellington Green, FL. No other stores are scheduled to open in 2003. Gross square footage for the year increased approximately 4% from 18,428,000 to 19,131,000.

Financing

-----  
For the year to date period ended November 1, 2003, cash used by financing activities increased primarily due to our current year debt repurchase partially offset by the scheduled retirement of \$76,750 in medium-term notes in the prior year.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONT.)

Debt Buyback

-----  
In the third quarter, we purchased \$62,405 of our 8.95% senior notes for a total cash payment of \$72,925. Approximately \$7,880 of expense was recognized in the third quarter of 2003 related to this purchase.

Year to date we have purchased \$103,230 of our 8.95% senior notes and \$2,500 of our 6.7% medium-term notes for a total cash payment of \$122,979. Approximately \$14,303 of expense has been recognized during the year related to these purchases.

CRITICAL ACCOUNTING POLICIES:

-----  
The preparation of our financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. We regularly evaluate our estimates including those related to doubtful

accounts, inventory valuation, intangible assets, sales return, income taxes, self-insurance liabilities, post-retirement benefits, contingent liabilities and litigation. We base our estimates on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. No changes to our methodologies have occurred since our disclosures in the 2002 Annual Report.

#### Recent Accounting Pronouncements

In January 2003, the FASB issued Interpretation No. 46 (FIN 46) "Consolidation of Variable Interest Entities", which requires the consolidation of variable interest entities (VIEs). An entity is considered to be a VIE when its equity investors lack controlling financial interest or the entity has insufficient capital to finance its activities without additional subordinated financial support. Consolidation of a VIE by an investor is required when it is determined that the majority of the entity's expected losses or residual returns will be absorbed by that investor. FIN 46 is effective for variable interest entities created or acquired after January 31, 2003. For variable interest entities created before February 1, 2003, FIN 46 must be applied for the first interim or annual period ending after December 15, 2003. We do not believe the adoption of FIN 46 will have an impact on our financial statements.

#### FORWARD-LOOKING INFORMATION CAUTIONARY STATEMENT:

The preceding disclosures included forward-looking statements regarding our performance, liquidity and adequacy of capital resources. These statements are based on our current assumptions and expectations and are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements are qualified by the risks and challenges posed by increased competition, shifting consumer demand, changing consumer credit markets, changing capital markets, changing interest rates and general economic conditions, hiring and retaining effective team members, sourcing merchandise from domestic and international vendors, investing in new business strategies, achieving our growth objectives and the impact of economic and competitive market forces, including the impact of terrorist activity or the impact of war. As a result, while we believe there is a reasonable basis for the forward-looking statements, you should not place undue reliance on those statements. This discussion and analysis should be read in conjunction with the condensed consolidated financial statements.

16 of 18

#### Item 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q, we performed an evaluation under the supervision and with the participation of management, including our President and Chief Financial Officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities and Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, our President and our Chief Financial Officer concluded that our disclosure controls and procedures are effective in the timely recording, processing, summarizing and reporting of material financial and non-financial information.

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

#### PART II - OTHER INFORMATION

##### Item 1. Legal Proceedings

The information required under this item is included in the following section of Part I, Item 1 of this report:

Note 8 in Notes to Condensed Consolidated Financial Statements

##### Item 6. Exhibits and Reports on Form 8-K



-----  
(a) Exhibits  
-----

3.2 Bylaws, as amended and restated on November 18, 2003.

10.1 Nordstrom Supplemental Executive Retirement Plan (2003 Restatement).

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

31.2 Certification of Chief Financial Officer required by Section 302(a)  
of the Sarbanes-Oxley Act of 2002.

32.1 Certification of President regarding periodic report  
containing financial statements as required by Section 906 of the  
Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer regarding periodic report  
containing financial statements as required by Section 906 of the  
Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K  
-----

We filed a Form 8-K on August 7, 2003 attaching a press release to  
announce our preliminary July 2003 sales results.

We filed a Form 8-K on August 21, 2003 attaching a press release to  
announce our results of operations for the quarter ended August 2,  
2003.

We filed a Form 8-K on September 4, 2003 attaching a press release to  
announce our preliminary August 2003 sales results.

We filed a Form 8-K on October 9, 2003 attaching a press release to  
announce our preliminary September 2003 sales results.

17 of 18

SIGNATURES

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

NORDSTROM, INC.  
(Registrant)

/s/ Michael G. Koppel  
-----

Michael G. Koppel  
Executive Vice President and Chief Financial Officer  
(Principal Accounting and Financial Officer)

Date: December 8, 2003  
-----

## NORDSTROM INC. AND SUBSIDIARIES

## Exhibit Index

Exhibit -----	Method of Filing -----
3.1 Bylaws, as amended and restated on November 18, 2003	Filed herewith electronically
10.1 Nordstrom Supplemental Executive Retirement Plan (2003 Restatement)	Filed herewith electronically
31.1 Certification of President required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
31.2 Certification of Chief Financial Officer required by Section 302(a) of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32.1 Certification of President regarding periodic report containing financial statements as required by Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith electronically
32.2 Certification of Chief Financial Officer regarding periodic report containing financial statements as required by Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith electronically

BYLAWS  
OF  
NORDSTROM, INC.

(Amended and Restated as of November 18, 2003)

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) if there is not then a Chairman (or Co-Chairman) of the Board of Directors 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 15% 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 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 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.

Section 12. Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 10 and on the record date for the determination of shareholders entitled to vote at the annual meeting and (ii) who timely complies with the notice procedures and form of notice set forth in this Section 12.

To be timely, a shareholder's notice must be given to the Secretary of this corporation and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, or no annual meeting was held in the immediately preceding year, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) days following the day on which the notice of the annual meeting date was mailed to shareholders.

To be in the proper form, a shareholder's notice must be in written form and must set forth (a) as to each person whom the shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations proxies for election of director pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Act") and the rules and regulations promulgated thereunder and (b) as to the shareholder giving the notice (i) the name and record address of the shareholder, (ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or by record by the shareholder, (iii) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by the shareholder, (iv) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person named in its notice, and (v) any other information relating to the shareholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. The notice must be accompanied by a written consent of each proposed nominee to be named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12. If the chairman of the annual meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and the defective nomination shall be disregarded.

Section 13. Business at Annual Meetings. No business may be transacted at an annual meeting of shareholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any shareholder of the corporation (i) who is a shareholder of record on the date of the giving of the notice provided for in this Section 13 and on the record date for the determination of shareholders of record on the date for the determination of shareholders entitled to vote at the annual meeting and (ii) who timely complies with the notice procedures and form of notice set forth in this Section 13.

To be timely, a shareholder's notice must be given to the Secretary of the corporation and must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of shareholders; provided, however, that in the event that the annual meeting is called for a date that is not within thirty (30) days before or after the anniversary date, notice by the shareholder in order to be timely must be so received no later than the close of business on the tenth (10th) day following the day on which the notice of the annual meeting date was mailed to shareholders.

To be in proper form, a shareholder's notice must be in written form and must set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for documenting the business at the annual meeting, (ii) the name and record address of the shareholder, (iii) the number of shares of capital stock of the corporation which are owned beneficially or of record by the shareholder, (iv) a description of all arrangements or understandings between the shareholder and any other person or persons (including their names) in connection with the proposal of the business and (v) a representation that the shareholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of shareholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 13; provided, however, that, once the business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 13 shall be deemed to preclude discussion by any shareholder of any such business. If the chairman of the annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and the business shall not be transacted.

### ARTICLE III Board of Directors

Section 1. General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction

of, its Board of Directors, except as may be otherwise provided in these Bylaws, the Amended and Restated Articles of Incorporation or the Washington Business Corporation Act.

Section 2. Number, Tenure and Qualifications. The number of directors of the corporation shall be nine (9). 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.

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.

Section 11. Committees. The Board of Directors, by resolution adopted by the greater of a majority of the Board of Directors then in office and the number of directors required to take action in accordance these Bylaws, may create standing or temporary committees, including an Executive Committee, and appoint members form its own number and invest such committees with such powers as it may see fit, subject to such conditions as may be prescribed by the Board of Directors, the Articles of Incorporation, these Bylaws and applicable law. Each committee must have two or more members, who shall serve at the pleasure of the Board of Directors.

Section 11.1. Authority of Committees. Except for the executive committee which, 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 resolutions appointing the executive committee, each committee shall have and may exercise all of the authority of the Board of Directors to the extent provided in the

resolution of the Board of Directors creating the committee and any subsequent resolutions adopted in like manner, except that no such committee shall have the authority to: (1) authorize or approve a distribution except according to a general formula or method prescribed by the Board of Directors, (2) approve or propose to shareholders sections or proposal required by the Washington Business Corporation Act to be approved by shareholders, (3) fill vacancies on the Board or any committee thereof, (4) amend the Articles of Incorporation pursuant to RCW 23B.10.020, (5) adopt, amend or repeal Bylaws, (6) approve a plan of merger not requiring shareholder approval, or (7) authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences and limitations of a class or series of shares except that the Board may authorize a committee or a senior executive officer of the corporation to do so within limits specifically prescribed by the Board.

Section 11.2. Removal. The Board of Directors may remove any member of any committee elected or appointed by it but only by the affirmative vote of the greater of a majority of the directors then in office and the number of directors required to take action in accordance with these Bylaws.

Section 11.3. Minutes of Meetings. All committees shall keep regular minutes of their meetings and shall cause them to be recorded in books kept for that purpose.

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 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 and a Treasurer. 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.

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. 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 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.

## ARTICLE VI 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 VII  
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-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 VIII  
Fiscal Year

The fiscal year of the corporation shall begin in January or February and end in January or February each year, based upon the 4-5-4 calendar as defined by the National Retail Federation ("NRF").

ARTICLE IX  
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 X  
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."

ARTICLE XI  
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 an officer of a division of the corporation, or is or was acting 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 of the corporation, as an officer of a division of the corporation, or, acting at the request of the corporation, as director or officer 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 (and not in any other capacity in which service was or is rendered by such indemnitee unless such service was authorized 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, (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, and (iii) a determination of the Board of Directors, in its good faith belief, that the indemnitee 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 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 XII 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 XIII 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.

NORDSTROM  
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN  
(2003 Restatement)

Consolidates all Plan Provisions Approved by the Company  
Through the August 2003 Board Meetings

Lane Powell Spears Lubersky LLP  
601 SW Second Avenue, Suite 2100  
Portland, Oregon 97204-3158  
Telephone: (503) 778-2100  
Facsimile: (503) 778-2200

TABLE OF CONTENTS

	Page
ARTICLE I. TITLE, PURPOSE AND EFFECTIVE DATE.....	1
1.01 Title.....	1
1.02 Purpose.....	1
1.03...Effective Date.....	1
ARTICLE II. ELIGIBILITY AND PARTICIPATION.....	1
2.01 Eligibility.....	1
2.02 Participation.....	3
2.03 Subsequent Ineligibility.....	3
2.04 Disability.....	4
2.05 Leave of Absence.....	4
ARTICLE III. BENEFITS.....	4
3.01 Retirement Benefit.....	4
3.02 Tier I Executive Retirement Benefit.....	5
3.03 Tier II Executive Retirement Benefit.....	5
3.04 1999 and Transition Plan Executive Retirement Benefit...5	5
3.05 Normal Retirement Benefits.....	7
3.06 Early Retirement Benefits.....	7
3.07 Deferred Retirement Benefits.....	7
3.08 Disability Retirement Benefits.....	8
3.09 Death Benefit.....	8
3.10 Payment of Benefits.....	8
ARTICLE IV. RIGHTS OF PARTICIPANTS IN THE PLAN.....	9
4.01 Vesting.....	9
4.02 Exceptions to Vesting.....	9

4.03	Rights in Plan are Unfunded and Unsecured.....	11
4.04	Discretion to Grant Years of Service or Increase Age....	11
ARTICLE V.	DEATH BENEFITS.....	11
5.01	Death Benefit Payable.....	11
5.02	Joint and 50% Survivor Annuity.....	12
5.03	Acknowledgment.....	12
5.04	Surviving Beneficiary.....	13
5.05	Doubt as to Beneficiary.....	13
5.06	Discharge of Obligations.....	13
ARTICLE VI.	TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN	13
6.01	Plan Amendments and Termination.....	13
6.02	Change In Control - Protected Benefits.....	13
ARTICLE VII.	CLAIMS PROCEDURES.....	14
7.01	Submittal of Claim.....	14
7.02	Denial of Claim.....	14
7.03	Review of Denied Claim.....	14
7.04	Decision upon Review of Denied Claim.....	14
ARTICLE VIII.	TRUST.....	15
8.01	Establishment of the Trust.....	15
8.02	Interrelationship of the Plan and the Trust.....	15
8.02	Interrelationship of the Plan and the Trust.....	15
ARTICLE IX.	PLAN ADMINISTRATION.....	16
9.01	Plan Sponsor and Administrator.....	16
9.02	Authority of Committee.....	16
9.03	Exercise of Authority.....	16
9.04	Delegation of Authority.....	16
9.05	Reliance on Opinions.....	16
9.06	Information.....	16
9.07	Indemnification.....	17
ARTICLE X.	MISCELLANEOUS.....	17
10.01	No Employment Contract.....	17
10.02	Employee Cooperation.....	17
10.03	Illegality and Invalidity.....	17
10.04	Required Notice.....	17
10.05	Interest of Participant's Spouse.....	18
10.06	Tax Liabilities from Plan.....	18
10.07	Benefits Nonexclusive.....	18
10.08	Discharge of Company Obligation.....	18
10.09	Costs of Enforcement.....	18
10.10	Gender and Case.....	19
10.11	Titles and Headings.....	19
10.12	Applicable Law.....	19
10.13	Counterparts.....	19
10.14	Definitions.....	19

ARTICLE I.

TITLE, PURPOSE AND EFFECTIVE DATE

1.01 Title. This plan shall be known as the Nordstrom Supplemental Executive Retirement Plan, and any reference in this instrument to the "Plan" or "SERP" shall include the plan as described herein and as amended from time to time.

1.02 Purpose. The Plan is intended to constitute an unfunded plan maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of Nordstrom, Inc., a Washington corporation ("Company"), and its affiliates as designated by the Board (collectively the



"Employers"), within the meaning of Section 201(2), 301(a)(3) and 401(a)(4) of the Employee Retirement Income Security Act of 1974 ("ERISA"). The benefits provided for a Participant under this Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Employers. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

1.03 Effective Date. The Plan was originally effective as of July 18, 1988. The Plan was subsequently amended on a number of occasions and, in order to provide a number of Plan design changes, to make changes in Plan administration and to otherwise clarify certain Plan provisions, the Company adopted a Restatement of the Plan, effective January 1, 1999. Subsequent to the 1999 Restatement, the Company undertook a complete review of the competitive nature of the Plan's benefit structure, revisited the initial goals and objectives of the Plan and, in making a number of other administrative changes, adopted the 2002 Restatement. After an internal review of the 2002 Restatement and the structure of the benefit formula and its impact on specific participant groups, a number of modifications were proposed to be made, which the Company decided were best to be included in this self-contained 2003 Restatement. This 2003 Restatement, shall be effective as of August 19, 2003, or if later, as determined by the Board in its adopting resolution.

## ARTICLE II.

### ELIGIBILITY AND PARTICIPATION

2.01 Eligibility. Eligibility for this Plan shall be limited to Executives as that term is defined herein.

a. Executive Defined. For purposes of this Plan, the term "Executive" means the Officers of Nordstrom, Inc., as selected by the Board, and any other management or highly compensated employee of the Company or an Employer,

1

who has been specifically designated by the Committee and approved by the Board as eligible to become a Participant in this Plan. When designating such individual as an "Executive," the Board or Committee shall have the discretion to categorize Executives as any one of the following:

i. 1999 Plan Executives. A "1999 Plan Executive" shall be any Executive who, as of the Effective Date of this 2003 Restatement, is both: (a) designated as eligible under the Plan (either because he or she was a corporate Officer or as a result of Board or Committee designation), and (b) eligible for, or within one year of being eligible for Early Retirement under the Plan.

ii. Transition Plan Executives. A "Transition Plan Executive" shall be any Executive who, as of the Effective Date of this 2003 Restatement, meets all of the following requirements: (a) is designated as eligible under the Plan (either because he or she was a corporate Officer or as a result of Board or Committee designation), (b) has more than 15 Years of Credited Service under the Plan, (c) is not eligible for, or within one year of being eligible for Early Retirement under the Plan, and (d) is not otherwise specifically designated as a Tier I Executive.

iii. Tier I Executives. A "Tier I Executive" shall be any corporate Officer not eligible as a 1999 or Transition Plan Executive and any other Executive the Board or Committee specifically designates as eligible for the Tier I benefit structure. Notwithstanding an Executive otherwise meeting the requirements of 2.01(a)(i), (ii) and (iii), the Committee and the Board shall have the discretion and authority to designate such Executive as a Tier I Executive.

iv. Tier II Executives. A "Tier II Executive" shall be

all other Executives the Board or Committee designates as eligible for the SERP.

b. Revocation of Designation. Notwithstanding the foregoing, the Board may, in its sole and exclusive discretion, revoke an employee's designation as an Executive hereunder at any time; provided, however, that the employee shall upon such revocation be entitled to only those benefits which have vested.

c. Certain Executive Transfers. An Executive pursuant to subparagraph (a) who has terminated employment with an Employer or the Company as a result of an employment transfer to or between an affiliate that is not an Employer, shall continue to be considered an Eligible Executive solely for purposes of whether the Executive has separated from active employment (including for purposes of determining eligibility for Early Retirement under 3.06), but shall not accrue any additional benefits while not actively in the employ of the Company. NORDSTROM.com, L.L.C. and NORDSTROM.com, Inc. shall be

2

considered a subsidiary or affiliate under this Plan, but only from November 1, 1999 to August 1, 2002. Any subsequent designation of such individual's Executive status under the Plan may include benefit credit for years of service with such organization as the Committee deems appropriate.

2.02 Participation. An Executive becomes a "Participant" in the Plan, when such Executive Retires under 2.02(a), with the appropriate approval under 2.02(b), as follows:

a. "Retires" Defined. An Executive Retires under the terms of the Plan when such Executive separates from active employment with the Company, or a subsidiary or an affiliate of the Company. Notwithstanding the above, an Executive's termination of employment with the Company as a result of such Executive's transfer to another of said entities shall not constitute a separation from active employment for purposes of this Section. Following such separation from active employment, retirement shall occur on or after the following dates:

i. Normal Retirement Date. The Executive's Normal Retirement Date, which shall, depending on the Executive's designation under 2.01, be either (a) the 1999 Plan Executive's sixtieth (60th) birthday, (b) the Transition Plan Executive's fifty-fifth (55th) birthday, or (c) the Tiers I or II Executive's fifty-eighth (58th) birthday.

ii. Early Retirement Date. The Executive's Early Retirement Date, which shall be either (a) a 1999 Plan Executive's fiftieth (50th), or (b) a Tier I, Tier II or Transition Plan Executive's fifty-third (53rd), or later birthday after the completion of ten (10) Years of Credited Service (as defined under 3.01(a)).

iii. Disability Retirement Date. The Executive's Disability Retirement Date, which shall be the date a Disabled: (a) 1999 Plan Executive becomes eligible for unreduced Early Retirement Benefits under Section 3.06, provided such Executive continues to be permanently Disabled on such date or (b) Tier I, Tier II or Transition Plan Executive becomes eligible for Normal Retirement Benefits under 3.05.

b. Board or Committee Approval. Any Executive who Retires must have his or her Retirement Benefit under Article III approved by the Committee. An Executive who Retires on or after his or her Early Retirement Date (but prior to Normal Retirement Date) must also receive the consent of the Board for such early retirement.

2.03 Subsequent Ineligibility. In accordance with Section 1.02, if, prior to an Executive's becoming a Participant, the Committee determines, based on a judicial or administrative determination or an opinion of counsel, that the Executive ceases to be a

3

member of a select group of management or highly compensated employees of the Employers (within the meaning of Title I of ERISA), such Executive shall cease accruing benefits hereunder and shall not be eligible to Participate in this Plan until he or she again becomes a member of such select group.

2.04 Disability. An Executive who becomes Disabled (as defined in the Company's Long-Term Disability Program) while employed by the Company shall be deemed to be an Executive in active service with the Company during the period of such Disability and shall continue to accrue Years of Credited Service for such period whether or not such Executive actually performs services for the Company during such period; provided, however, that such accrual of service under this Section shall cease upon the earliest of the Disabled Executive's: (i) recovering from such Disability; (ii) Disability Retirement Date; or (iii) Normal Retirement Date. An Executive who recovers from such Disability, but who does not thereafter return to active service with the Company shall be treated as though they terminated employment prior to reaching Early Retirement Date.

2.05 Leave of Absence. The Board shall determine, on an individual basis and in its sole and absolute discretion, the treatment under the Plan of an Executive who takes a leave of absence from the Company.

### ARTICLE III.

#### BENEFITS

3.01 Retirement Benefit. An Executive's "Retirement Benefit" shall mean the benefit payable to the Executive as a Participant, pursuant to this Article III, expressed and payable as a monthly benefit in the form of a Joint and 50% Survivor Annuity, commencing on the date the Executive becomes a Participant. Subject to the specific provisions of the Plan and this Article III, an Executive's Retirement Benefit as a Participant depends on the Executive's Eligibility category as designated by the Board or Committee as a 1999 Plan Executive, Transition Plan Executive, Tier I Executive, or Tier II Executive, with the following provisions and definitions applying to each of those categories:

a. Year of Credited Service. A "Year of Credited Service" shall have the same meaning as "Years of Service" under the Nordstrom Profit Sharing Plan (and any predecessor or successor thereto). Service with a subsidiary or other corporation controlled by the Company shall not be considered "Credited Service" unless the Committee specifically agrees to credit such service. In addition, Years of Credited Service may also be granted by the Committee under 4.04. In no case, however, will more than twenty five (25) Years of Credited Service be counted for any purpose under the Plan.

4

b. Final Average Compensation. For purposes of this Plan, Final Average Compensation shall mean the monthly compensation resulting from the average of the highest thirty-six (36) months of the Executive's Covered Compensation, measured over the Averaging Period:

i. Covered Compensation. For purposes of determining an Executive's Final Average Compensation, Covered Compensation shall include base salary and the cash bonus accrued for the fiscal year in which such month falls, divided by the number of full and partial months the Executive worked in the fiscal year. Covered Compensation shall not include any other items of remuneration such as reimbursements, allowances, fringe benefits or gains on the exercise of stock options, regardless of whether such amounts are included in the taxable income of the Executive. Unless specifically agreed to by the Committee, Covered Compensation shall not include any remuneration provided by a subsidiary or an affiliate.

ii. Averaging Period. The Executive's Averaging Period shall be the longer of: (a) the final sixty (60) months of the Executive's employment; or (b) the entire period of service (measured in

months) after either (A) a 1999 Plan Executive's fiftieth (50th) birthday, or (B) a Transition Plan or Tier I or II Executive's fifty-third (53rd) birthday. Unless the Committee so decides, periods of employment with a subsidiary or affiliate that is not an Employer shall not be considered for purposes of determining the Averaging Period.

3.02 Tier I Executive Retirement Benefit. A Tier I Executive's Retirement Benefit shall be equal to one and six-tenths percent (1.6%) of such Executive's Final Average Compensation, multiplied by the number of such Executive's Years of Credited Service.

3.03 Tier II Executive Retirement Benefit. A Tier II Executive's Retirement Benefit shall be equal to eight-tenths percent (0.8%) of such Executive's Final Average Compensation, multiplied by the number of such Executive's Years of Credited Service.

3.04 1999 and Transition Plan Executive Retirement Benefit. A 1999 Plan Executive's Retirement Benefit and a Transition Plan Executive's Retirement Benefit shall be equal to two and four-tenths percent (2.4%) of such Executive's Final Average Compensation, multiplied by the number of such Executive's Years of Credited Service, but reduced by the Executive's Annuity Value of Profit Sharing, determined as follows:

a. Annuity Value of Profit Sharing. The Executive's Annuity Value of Profit Sharing means the monthly amount payable under a Joint and 50 % Survivor Annuity using such Executive's Company contribution account balances as of the date such Executive Retires, as follows:

5

i. Profit Sharing. Company-provided contributions (and income thereon) under the Nordstrom Profit Sharing Retirement Plan ("Profit Sharing") and Company Matching Contributions under the Employee Deferral Retirement Plan; plus

ii. EDCP. Company-provided contributions under the Nordstrom Executive Deferred Compensation Plan ("EDCP"), but only to the extent that such contributions were intended to reinstate allocations of Company-provided contributions and forfeitures thereof lost to the Executive as a result of the reduction in such Executive's compensation by reason of deferrals under the EDCP; plus

iii. Other Qualified Plans. The amount of any Company-provided benefits to the Executive under any other qualified plan of the Company or its affiliates; and plus

iv. Distributions. The amount of any previous withdrawals or other distributions of any type (regardless of the payee) from such account(s) (without adjustment for imputed earnings for any period following the actual date of withdrawal or distribution), other than (i) distributions of life insurance policies from Profit Sharing; and (ii) the excess (if any) of premiums paid with respect to life insurance policies prior to such date over the cash surrender value used in computing the account balances in the Profit Sharing as of such date expressed and payable as a monthly benefit commencing on the applicable payment date in the form of a Joint and 50% Survivor Annuity.

b. Joint and 50% Survivor Annuity. For purposes of this Section 3.04, a Joint and Survivor 50% Annuity means the Joint and 50% Survivor Annuity defined in Section 5.02, with the following modifications to take into account the determination of such annuity value upon the Participant's (as opposed to the Surviving Spouse's) commencement of benefits under the Plan:

i. Surviving Spouse. A Participant's Surviving Spouse in this context is the individual who would be considered the Participant's Surviving Spouse under 5.01(a) (for purposes of the Plan's pre-retirement survivor annuity) on the date the Participant Retires. In the event that there is no Surviving Spouse on such date, the survivor annuity shall be calculated as though the Participant had a Surviving Spouse of the same age.

ii. Actuarial Equivalent. The Actuarial Equivalent used for this section shall be the same as that defined and used by the Committee in Section 5.02(b), except that the interest rate used shall be the IRS Long

6

Term Applicable Federal Rate (AFR) stated for the month prior to the month in which the Executive Retires.

3.05 Normal Retirement Benefits. An Executive who Retires on or after Normal Retirement Date shall be entitled, upon approval of the Committee, to a Retirement Benefit under either 3.02, 3.03 or 3.04 (as appropriate) determined as of the actual date the Executive Retires.

3.06 Early Retirement Benefits. Subject to 3.06(c), an Executive who Retires (with the consent of the Board) on or after his or her Early Retirement Date shall be entitled, upon approval of the Committee, to an Early Retirement Benefit as follows:

a. Retirement Benefit. The Executive's Retirement Benefit under 3.02, 3.03 or 3.04 (as appropriate) determined on the actual date the Executive Retires, reduced by

b. Early Retirement Reduction Factor.

i. 1999 Plan Executives. For 1999 Plan Executives, three percent (3%) for each year the sum of the Participant's age and Years of Credited Service is less than 75.

ii. Transition Plan Executives. For Transition Plan Executives, twelve and one-half percent (12.5%) for each year prior to the Executive's Normal Retirement Age, with such reduction percentage to be prorated for any applicable fraction of a year, based on the number of full months worked in such year.

iii. Tiers I and II Executives. For any Tier I or Tier II Executive, ten percent (10%) for each year prior to the Executive's Normal Retirement Age, with such reduction percentage to be prorated for any applicable fraction of a year, based on the number of full months worked in such year.

c. Transition Plan Executives. If a Transition Plan Executive's Early Retirement Benefit calculated as though they were a Tier I Executive (under 3.02 and 3.06(b)(iii)), is greater than the Early Retirement Benefit calculated as a Transition Plan Executive (under 3.04 and 3.06(b)(ii)), then such Transition Plan Executive shall be entitled to receive such greater Early Retirement Benefit calculated as though they were a Tier I Executive.

3.07 Deferred Retirement Benefits. An Executive who Retires after Normal Retirement Date shall be entitled to a Deferred Retirement Benefit equal to the Normal Retirement Benefit under this Article III, but increased with interest for each Year of

7

Credited Service between the Normal Retirement Date and actual date he or she Retires; provided however, that such increase shall not to exceed ten (10) such years at an annual rate of five percent (5%), compounded annually.

3.08 Disability Retirement Benefits. A Disabled Executive continuing to accrue service credit under Section 2.04 shall be treated, for purposes of the Plan, as an active Executive for such period, and the Retirement Benefit under this Article III shall be determined as of such Disabled Executive's Disability Retirement Date. Provided, however, that a Disabled Executive who receives Retirement Benefits while also receiving long-term disability or other disability income benefits pursuant to any other employer-sponsored plan, fund or program (including that of the Company, but other than disability income paid by Social Security), shall have the monthly Retirement Benefit payable

under this Plan reduced (but not below zero) by the monthly benefit paid or payable under such other plan.

3.09 Death Benefit. The Death Benefit under this Plan, whether payable before or after Retirement, shall consist solely of a survivor annuity, payable for the life of the Surviving Spouse (if any), as described in Article V.

3.10 Payment of Benefits. The following shall apply to the payment of benefits under Article III:

a. Payment Commencement. Payment of benefits under this Article III shall commence as soon as administratively practicable following the later of (a) the date the Executive Retires, or (b) the date on which the Executive becomes a Participant (with payments retroactive to such date of Retirement).

b. Semi-Monthly Payment. Periodic payments of benefits shall be paid in equal monthly amounts on a semi-monthly basis through the Company's normal payroll system.

c. Alternative Forms of Payment. The Board or the Committee, in its sole discretion, may elect to pay the Participant or the Participant's Beneficiary an Actuarially Equivalent lump sum or other form of benefit in lieu of the Joint and Survivor Annuity form of benefit otherwise provided for in the Plan.

d. Withholding. The Company shall withhold from any and all benefit payments made under the Plan and this Article III, all federal, state and local income, employment and other taxes the Company reasonably determines are required to be withheld in connection with the benefits hereunder, and any other amounts due, owing and unpaid by the Participant to the Company, to be determined in the sole discretion of the Company. In the event such amounts due under this 3.10(c) exceed the amount of benefits currently payable, the Participant shall be required to contribute to the Company an amount necessary to meet such obligations.

8

#### ARTICLE IV.

##### RIGHTS OF PARTICIPANTS IN THE PLAN

4.01 Vesting. Except as otherwise provided in this Section and elsewhere in Article IV and Section 6.02, no Executive, Participant or Beneficiary shall have any vested interest in any Plan benefits. The Benefits in which such Participant or Beneficiary has a vested interest under this Section (subject to forfeiture in 4.02) shall be determined as follows:

a. Early Retirement. A Participant entitled to Early Retirement Benefits under Section 3.06 shall have a vested interest in such benefits on such Participant's Early Retirement Date.

b. Normal Retirement. A Participant entitled to Normal Retirement benefits under Section 3.05 shall have a vested interest in such benefits on such Participant's Normal Retirement Date.

c. Deferred Retirement. An Executive who Retires after Normal Retirement Date shall have a vested interest in Retirement Benefits granted under Section 3.07 on such Participant's Normal Retirement Date, and shall have a vested interest in the balance of such Participant's benefits on such Participant's actual date of retirement.

d. Death Benefit. The Surviving Spouse of a Participant who is entitled to a survivor annuity under Article V shall have a vested interest in any applicable survivor annuity which is actually payable in accordance with the terms of Article V, on and after the date of the Participant's death.

4.02 Exceptions to Vesting. Anything in this instrument to the

contrary notwithstanding, the following shall apply:

a. Exclusion for Suicide or Self-Inflicted Injury. No benefits shall be paid to an Executive or to any Beneficiary of such Executive as a result of suicide or self-inflicted injury by the Executive within three (3) years of such Executive becoming an "Executive" under the Plan.

b. Termination for Good Cause. No benefits shall be paid to an Executive or to any Beneficiary of such Executive (and any benefits payable to such Executive as a Participant shall cease) if such Executive is terminated for cause, or is later found by the Company to have engaged in such acts as would

9

have constituted cause. For purposes of this Plan, "cause" shall mean that the Executive has or had:

i. misappropriated, stolen or embezzled funds of the Company or an affiliate;

ii. committed an act of deceit, fraud, dereliction of duty or gross or willful misconduct;

iii. been convicted of either a felony or a crime involving moral turpitude or entered a plea of no contest in response to an indictment for such crime or felony;

iv. intentionally disclosed confidential information of the Company or an affiliate (except when such disclosure is made pursuant to the direction of the Company or in accordance with legal, administrative or judicial process); or

v. engaged in competitive behavior against, actions inimical to the interests of, purposely aided a competitor of, or has misappropriated or aided in the misappropriation of a material opportunity of the Company or its affiliates.

c. Cessation of Benefits for Competition. Retirement Benefits currently in pay status to a Participant shall cease, and no further benefits shall be payable, to the Participant (or Surviving Spouse) to the extent the Participant competes, directly or indirectly, with the Company. For purposes of this Plan, "competing, directly or indirectly, with the Company" shall mean (without limitation) a determination, in the sole discretion of the Committee, the following: (i) engaging in the operation of any type of business or enterprise in any way competitive with the business of any of the Company or its subsidiaries or affiliates, (ii) holding an interest, either directly or indirectly, as owner, director, officer, employee, partner, shareholder (other than as the owner of less than two percent (2%) of the outstanding stock of a publicly owned company), in any type of business or enterprise in any way competitive with the business of any of the Company or its subsidiaries or affiliates; or (iii) investing capital in, lending money or property to or rendering services to any type of business or enterprise in any way competitive with the business of any of the Company or its subsidiaries or affiliates. Anything in this paragraph to the contrary notwithstanding, the Committee may waive or modify its right to discontinue payment to any Participant or to any Surviving Spouse of such Participant by written agreement.

10

4.03 Rights in Plan are Unfunded and Unsecured. The Company's obligation under the Plan shall in every case be an unfunded and unsecured promise to pay. A Participant's right to Plan distributions shall be no greater than those of general, unsecured creditors of the Company. The Company may establish one or more grantor trusts (as defined in Code Section 671 et seq.) to facilitate the payment of benefits hereunder; however, the Company shall not be obligated under any circumstances (other than a Change in Control, as described in 6.02) to fund its financial obligations under the Plan. Any assets which the

Company may acquire or set aside to defray its financial liabilities shall be general assets of the Company, and such assets, as well as any assets set aside in a grantor trust, shall be subject to the claims of its general creditors.

4.04 Discretion to Grant Years of Service or Increase Age. If circumstances warrant (in order to attract or retain a qualified Executive), and it is decided it is in the best interests of the Company, the Committee shall have the authority and discretion to grant to certain individuals additional Years of Credited Service or to treat such individuals as having attained a certain age for purposes of this Plan. Such circumstances may include, but are not limited to (i) providing Executives with a recruiting incentive, or (ii) a Participant's relinquishing the opportunity to participate in the Company's Separation Program for Key Management Employees in exchange for increased benefits under this Plan. In such circumstances, the Committee may condition the receipt of such additional benefits (to which the Executive is not otherwise entitled) on the Participant's execution of an election of increased benefits under this Plan and a general release of all claims. The Committee's granting of Years of Credit Service and/or treating the Executive as attaining a certain age under this Plan shall not alter, and shall not be construed as altering, the Executive's actual age or years of service with the Employer under any other plan of the Employer.

#### ARTICLE V.

##### DEATH BENEFITS

5.01 Death Benefit Payable. Each Executive's Retirement Benefit is expressed and payable as a monthly benefit in the form of a Joint and 50% Survivor Annuity under this Plan. Accordingly, the sole death benefit payable under this Plan on behalf of an Executive or a Participant is as follows:

a. Pre-Retirement Death Benefit. The Pre-Retirement Death Benefit payable under the Plan upon the death of the Executive shall be the 50% Survivor Annuity payable for the life of the Executive's Surviving Spouse, calculated and payable as though the Executive had Retired as a Participant under this Plan on the day before his or her death. In the event the Executive had not reached his or her Early Retirement Date (or, if earlier, Normal Retirement Date), such survivor annuity shall commence on the date the Executive would have been eligible to Retire under the Plan. Provided, however, that nothing in this section shall restrict

11

the Committee's authority, in its sole and exclusive discretion, to accelerate the payment of such benefit to the Executive's Surviving Spouse.

b. Post-Retirement Death Benefit. The Post-Retirement Death Benefit payable on behalf of a Participant shall be a 50% Survivor Annuity payable for the life of the Participant's Surviving Spouse, based on the actual Retirement Benefit the Participant was receiving at the time of his or her death, calculated in accordance with the provisions of Section 5.02.

c. Acceleration of Death Benefit. Nothing in this 5.01 shall restrict the Committee's authority, in its sole and exclusive discretion, to accelerate the payment of a death benefit to a Surviving Spouse as an Actuarial Equivalent lump sum or other form of benefit in lieu of any Survivor Annuity payable under the Plan.

5.02 Joint and 50% Survivor Annuity. A Joint and Survivor Annuity means an annuity for the life of the Participant and, after his or her death, a reduced survivor annuity for the life of the Participant's Surviving Spouse in an amount that is fifty percent (50%) of the original annuity amount; provided, however, that if the Surviving Spouse is more than 5 years younger than the Participant, such survivor annuity will be calculated so that it is the Actuarial Equivalent of the 50% survivor annuity for a spouse 5 years younger than the Participant.]



a. Surviving Spouse. A Participant's Surviving Spouse is the individual to whom the Participant is legally married (or the Participant's Life Partner) on the date of the Participant's death. For this purpose, the term "Life Partner" has the same meaning as is used under the Nordstrom Welfare Benefit Plan; provided, however, that the Committee may, in its discretion, substitute a less restrictive definition than is used in such plan.

b. Actuarial Equivalent. The Committee shall have the authority to periodically determine and change the appropriate Actuarial Equivalent to be used under the Plan. As of the Effective Date of this Restatement, the mortality table and interest rate used for Actuarial Equivalence (for purposes of this Article V) shall be the 1983 Group Annuity Mortality Table for males (GA 83) with the IRS Long Term Applicable Federal Rate (AFR) stated for the month of the Executive's death.

5.03 Acknowledgment. The Committee shall have the sole and exclusive discretion to determine the identity of any Surviving Spouse, and no person shall have a right to any death benefit under this Plan in the absence of a determination that he or she is the Surviving Spouse of the Executive or Participant.

12

5.04 Surviving Beneficiary. For purposes of determining whether the Surviving Spouse predeceases the Executive, the individual is considered to survive the Executive if such spouse (or Life Partner) is alive seven (7) days after the date of the Executive's death.

5.05 Doubt as to Beneficiary. If the Plan Administrator has any doubt as to the proper individual to receive payments pursuant to this Plan, the Plan Administrator shall have the right, exercisable in its discretion, to cause the Executive's Employer to withhold such payments until this matter is resolved to the Plan Administrator's satisfaction.

5.06 Discharge of Obligations. The payment of benefits under the Plan to an individual determined to be the Participant or Surviving Spouse shall fully and completely discharge all Employers and the Plan Administrator from all further obligations under this Plan with respect to the Executive, and that Executive's or Participant's eligibility and/or participation shall terminate upon such full payment of benefits.

#### ARTICLE VI.

##### TERMINATION, AMENDMENT OR MODIFICATION OF THE PLAN

6.01 Plan Amendments and Termination. The Plan may be amended or terminated by the Board of Directors at any time. Except as provided in 6.02, such amendment or termination may modify or eliminate any benefit hereunder other than a benefit that is In Pay Status, or the vested portion of a Retirement Benefit that is not in pay status. In addition, the Committee has the authority on behalf of the Board to review, finalize, approve and adopt amendments to the Plan, other than amendments relating to benefit amounts and Plan eligibility. Absent the earlier termination, modification or amendment of the Plan, the eligibility of any Executive and the participation of any Participant shall terminate upon the full payment of the applicable Vested SERP Benefit as provided under Article IV.

6.02 Change In Control - Protected Benefits. In the event of a Change in Control (as defined in the Trust), the following additional provisions shall apply.

a. No Amendment or Termination. No amendment (or termination) of the Plan can occur that would reduce or otherwise eliminate the monthly benefit payable under the Plan to any person with respect to a Participant who Retired prior to such Change in Control, nor shall any Plan amendment reduce the benefit to be paid with respect to an Executive (who has not Retired) below the amount which such Executive has accrued and would have received (upon reaching Normal Retirement Date) had he or she Retired the day before such Change in

Control (the "Change in Control Benefit").

b. Full Vesting in Accrued Benefit. Upon the occurrence of a Change in Control, each active Executive shall be fully vested in his or her Change in Control Benefit under this Plan through the date of the Change in Control; in the event of

13

termination prior to eligibility to Retire, any such Executive shall have a right to receive a Normal Retirement Benefit commencing at eligibility for Normal Retirement, or a reduced Early Retirement benefit commencing at or after eligibility for Early Retirement (with reductions based upon the age attained on the actual Early or Normal Retirement Date).

c. Full Funding. Notwithstanding the provisions of Section 4.03 and the unfunded status of the Plan, in the event of a Change in Control, the Company shall fully fund the Trust as provided in Article VIII.

#### ARTICLE VII.

##### CLAIMS PROCEDURES

7.01 Submittal of Claim. Benefits shall be paid in accordance with the provisions of this Plan. The Participant, or any person claiming through the Participant ("Claiming Party"), shall make a written request for benefits under this Plan, mailed or delivered to the Committee. Such claim shall be reviewed by the Committee or its delegate.

7.02 Denial of Claim. If a claim for payment of benefits is denied in full or in part, the Committee or its delegate shall provide a written notice to the Claiming Party within ninety (90) days setting forth: (a) the specific reasons for denial; (b) any additional material or information necessary to perfect the claim; (c) an explanation of why such material or information is necessary; and (d) an explanation of the steps to be taken for a review of the denial. A claim shall be deemed denied if the Committee or its delegate does not take any action within the aforesaid ninety (90) day period.

7.03 Review of Denied Claim. If the Claiming Party desires Committee review of a denied claim, the Claiming Party shall notify the Committee or its delegate in writing within sixty (60) days after receipt of the written notice of denial. As part of such written request, the Claiming Party may request a review of the Plan document or other pertinent documents, may submit any written issues and comments, and may request an extension of time for such written submission of issues and comments.

7.04 Decision upon Review of Denied Claim. The decision on the review of the denied claim shall be rendered by the Committee within sixty (60) days after receipt of the request for review (if no hearing is held) or within sixty (60) days after the hearing if one is held. The decision shall be in writing and shall state the specific reasons for the decision, including reference to specific provisions of the Plan on which the decision is based.

14

#### ARTICLE VIII.

##### TRUST

8.01 Establishment of the Trust. The Company may establish a Trust, provided that any trust created by the Company, and any assets held by such trust to assist the Company in meeting its obligations under this Plan, shall conform its terms to the requirements of the model trust described in Internal Revenue Procedure 92-64, 1992-2 C.B. 422. Except in the case of a Change In Control (as defined in the

Trust), the Company reserves the absolute right, in its sole and exclusive discretion, to direct (or refrain from directing) the transfer over to the Trust such assets to the extent the Company deems advisable, provided that no such transfer, Trust or other arrangement entered into by the Company shall affect the status of the Plan as unfunded for purposes of Title I of ERISA or the Code.

8.02 Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Company, Participants and the creditors of the Company to the assets transferred to the Trust. The Company shall at all times remain liable to carry out its obligations under the Plan. The Company's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Company's obligations under this Plan.

8.03 Funding on Change in Control. In the event of a Change of Control (as defined in the Trust) at any time when the Trust has not been terminated and is not fully funded (as defined below), the Company shall promptly transfer to the trustee of the Trust assets sufficient to cause the Trust to be fully funded on the date of such transfer. For purposes of this paragraph, the Trust shall be "fully funded" on a given date if, on such date, the fair market value of the assets held by the trustee of the Trust is at least equal to the Actuarial Equivalent present value of: (i) all benefits under the Plan in pay status to Participants or Surviving Spouse's on such date; plus (ii) the fully vested Change in Control Benefit under 6.02. For purposes of this paragraph, actuarial present value shall be determined using the interest and mortality assumptions of the Article III Actuarial Equivalent in effect for the month prior to the Change In Control.

15

#### ARTICLE IX.

##### PLAN ADMINISTRATION

9.01 Plan Sponsor and Administrator. The Company is the "Plan Sponsor," and the Committee is the "Plan Administrator." The Company's senior officer with responsibility for Human Resources and the Company's Compensation & Leadership Benefits Department, have been selected to assist the Committee in its day to day responsibilities with respect to the Plan. The Committee is the named fiduciary charged with responsibility for administering the Plan. The Committee, with the advice of the Company, will make such rules and computations and will take such other actions to administer the Plan as the Committee may deem appropriate.

9.02 Authority of Committee. As Plan Administrator, the Committee has the sole and exclusive discretion, authority and responsibility to construe and interpret the terms and provisions of the Plan, to remedy and resolve ambiguities, to grant or deny any and all claims for benefits and to determine all issues relating to eligibility for benefits. All actions taken by the Committee as Plan Administrator, or its delegate, will be conclusive and binding on all person having any interest under the Plan, subject only to the provisions of Article VII. All findings, decisions and determinations of any kind made by the Committee or its delegate shall not be disturbed unless the Committee has acted in an arbitrary and capricious manner.

9.03 Exercise of Authority. All resolutions or other actions taken by the Committee shall be either: (a) by vote of a majority of those present at a meeting at which a majority of the members are present; or (b) in writing by a majority of all the members at the time in office if they act without a meeting.

9.04 Delegation of Authority. The Committee may delegate all or part of its responsibilities, authority and discretion under the Plan to other persons. The duties of the Committee under the Plan will be carried out in its name by the officers, directors and employees of the Company. Any such delegation shall carry with it the full discretion and authority vested in the Committee under Section 9.02. As of the

effective date of the Restated Plan, the Committee has delegated the day-to-day administration of the Plan to its Compensation & Leadership Benefits Department under the direction of the Company's senior officer with responsibility for Human Resources.

9.05 Reliance on Opinions. The members of the Committee and the officers and directors of the Company, and any employee of the Company who is charged with duties in connection with the administration of the Plan shall be entitled to rely on all certificates and reports made by any duly appointed accountants, and on all opinions given by any duly appointed legal counsel, including legal counsel for the Company.

9.06 Information. The Company shall supply full and timely information to the Committee on all matters relating to the compensation of Participants, the date and

16

circumstances of the termination of employment or death of a Participant and such other pertinent information as the Committee may reasonably require.

9.07 Indemnification. The Company shall indemnify and hold harmless each Committee or Board member, and Company employee performing services or acting in any capacity, from and with respect to the Plan against any and all expenses and liabilities arising in connection with services performed in regard to this Plan. Expenses against which such individual shall be indemnified hereunder shall include, without limitation, the amount of any settlement or judgment, costs, counsel fees and related charges reasonably incurred in connection with a claim asserted, or a proceeding brought or settlement thereof. The foregoing right of indemnification shall be in addition to any other rights to which any such individual may be entitled as a matter of law or other agreement.

#### ARTICLE X.

#### MISCELLANEOUS

10.01 No Employment Contract. The terms and conditions of the Plan shall not be deemed to constitute a contract of employment between the Company and an Eligible Executive. Nothing in this Plan shall be deemed to give an Eligible Executive the right to be retained in the service of the Company or to interfere with any right of the Company to discipline or discharge the Eligible Executive at any time.

10.02 Employee Cooperation. An Executive will cooperate with the Company by furnishing any and all information reasonably requested by the Company and take such other actions as may be requested to facilitate Plan administration and the payment of benefits hereunder.

10.03 Illegality and Invalidity. If any provision of this Plan is found illegal or invalid, said illegality or invalidity shall not affect the remaining parts hereof, but the Plan shall be construed and enforced as if such illegal and invalid provision had not been included herein.

10.04 Required Notice. Any notice which shall be or may be given under the Plan shall be in writing and shall be mailed by United States mail, postage prepaid. If notice is to be given to the Company, such notice shall be addressed to the Company c/o Compensation & Leadership Benefits, 1700 Seventh Avenue, Suite 900, Seattle, Washington 98101-4407. If notice is to be given to a Participant, such notice shall be addressed to the last known address on the Company's Human Resources records. Any notice or filing to be given to a Participant under this Plan shall be sufficient if in writing and hand-delivered, or sent by mail, to the last known address of the Participant. Any party may, from time to time, change the address to which notices shall be mailed by giving written notice of such new address.

17

10.05 Interest of Participant's Spouse. The interest in the benefits hereunder of a spouse or Life Partner of a Participant who, at any time prior to the death of the Participant, ceases to be the spouse or Life Partner of the Participant (whether by death, dissolution, annulment, separation, divorce or, in the case of a Life Partner, the termination of the life partnership), shall automatically pass to the Participant unless the spouse is otherwise required to continue to be treated as the "Surviving Spouse" hereunder pursuant to a court order meeting the requirements of a Qualified Domestic Relations Order under Code Section 414(p), and in the case of such former spouse's death, shall not be transferable by such spouse in any manner, including but not limited to such spouse's will, nor shall such interest pass under the laws of intestate succession.

10.06 Tax Liabilities from Plan. If all or any portion of a Participant's benefit under this Plan generates a state or federal income tax liability to the Participant prior to receipt, that Participant may petition the Committee for a distribution of funds sufficient to meet such liability (including additions to tax, penalties and interest). Upon the grant of such a petition, which grant shall not be unreasonably withheld, the Company shall distribute to the Participant immediately available funds in an amount equal to that Participant's federal, state and local tax liability associated with such taxation, which liability shall be measured by using that Participant's then current highest federal, state and local marginal tax rate, plus the rates or amounts for the applicable additions to tax, penalties and interest. This distribution shall include an additional amount to "gross up" the tax liability distribution to include all applicable taxes on the tax liability distribution and the grossed up amount. If the petition is granted, the tax liability distribution (including grossup) shall be made within ninety (90) days of the date when the Participant's petition is granted. Such a distribution shall affect and reduce the benefits to be paid under Articles VI and VII hereof.

10.07 Benefits Nonexclusive. The benefits provided for a Participant and Participant's Beneficiary under the Plan are in addition to any other benefits available to such Participant under any other plan or program for employees of the Company. The Plan shall supplement and shall not supersede, modify or amend any other such plan or program except as may otherwise be expressly provided.

10.08 Discharge of Company Obligation. The payment of benefits under the Plan to a Participant or Beneficiary shall fully and completely discharge the Company, the Board, and the Committee from all further obligations under this Plan with respect to a Participant, and Participation shall terminate upon such full payment of benefits.

10.09 Costs of Enforcement. If any action at law or in equity is necessary by the Committee or the Company to enforce the terms of the Plan, the Committee or the Company shall be entitled to recover reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.

18

10.10 Gender and Case. Unless the context clearly indicates otherwise, masculine pronouns shall include the feminine and singular words shall include the plural and vice versa.

10.11 Titles and Headings. Titles and headings of the Articles and Sections of the Plan are included for ease of reference only and are not to be used for the purpose of construing any portion or provision of the Plan document.

10.12 Applicable Law. To the extent not preempted by Federal law, the Plan shall be governed by the laws of the State of Washington.

10.13 Counterparts. This instrument may be executed in one or more counterparts, each of which is legally binding and enforceable.

10.14 Definitions:

- a. "Board" means the board of directors of Nordstrom, Inc.

b. "Code" means the Internal Revenue Code of 1986, as amended.

c. "Committee" means the Compensation and Stock Option Committee of the Board.

19

This Plan is signed and adopted, pursuant to proper authority, this 19th day of August, 2003.

Nordstrom, Inc.

By: /s/ Delena M. Sunday

-----  
Title: Executive Vice  
President Human  
Resources and  
Diversity Affairs

ATTEST:

By: /s/ Leslie R. Thornton

-----  
Title: Divisional Vice-President of  
Compensation and Leadership Benefits

20

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

I, Blake W. Nordstrom, President of Nordstrom, Inc. certify that:

1. I have reviewed this report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2003  
-----

/s/ Blake W. Nordstrom  
-----  
Blake W. Nordstrom  
President

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

I, Michael G. Koppel, Executive Vice President and Chief Financial Officer of Nordstrom, Inc. certify that:

1. I have reviewed this report on Form 10-Q of Nordstrom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2003  
-----

/s/ Michael G. Koppel  
-----  
Michael G. Koppel  
Executive Vice President and  
Chief Financial Officer



NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION OF CHIEF EXECUTIVE  
OFFICER REGARDING PERIODIC REPORT CONTAINING  
FINANCIAL STATEMENTS

I, Blake W. Nordstrom, the President of Nordstrom, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that the Company's Quarterly Report on Form 10-Q for the period ended November 1, 2003 (the "Report") filed with the Securities and Exchange Commission:

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

/s/ Blake W. Nordstrom

-----  
Blake W. Nordstrom  
President  
December 8, 2003

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

NORDSTROM, INC.

1617 SIXTH AVENUE

SEATTLE, WASHINGTON 98101

CERTIFICATION OF CHIEF FINANCIAL  
OFFICER REGARDING PERIODIC REPORT CONTAINING  
FINANCIAL STATEMENTS

I, Michael G. Koppel, the Executive Vice President and Chief Financial Officer of Nordstrom, Inc. (the "Company") in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that the Company's Quarterly Report on Form 10-Q for the period ended November 1, 2003 (the "Report") filed with the Securities and Exchange Commission:

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

/s/ Michael G. Koppel

-----  
Michael G. Koppel  
Executive Vice President and  
Chief Financial Officer  
December 8, 2003

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