

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) February 17, 2005

NORDSTROM, INC.
 (EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

WASHINGTON	001-15059	91-0515058
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1617 SIXTH AVENUE, SEATTLE, WASHINGTON	98101
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (206) 628-2111

INAPPLICABLE
 (FORMER NAME OR FORMER ADDRESS IF CHANGED SINCE LAST REPORT)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 1.01 Entry into a Material Definitive Agreement

On February 17, 2005 the Compensation Committee (the "Committee") of the Board of Directors of Nordstrom, Inc. (the "Company") approved the following executive compensation payouts to the Company's named executive officers:

Named Executive Officer	2002-2005 Performance Share Unit Payout (#)
-----	(1)
Blake W. Nordstrom President	14,787.50
Peter E. Nordstrom Executive Vice President	8,626.25
Erik B. Nordstrom Executive Vice President	4,337.50

Michael G. Koppel
Executive Vice President

8,010.00

James R. O'Neal
Executive Vice president

8,010.00

(1) The Nordstrom, Inc. 1997 Stock Option Plan, as amended (the "Plan"), which was filed as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended August 2, 2003, provides for the grant of performance share units which entitle the participant to settle in shares of Company Common Stock or cash in lieu thereof upon the achievement of such performance goals as may be established by the Committee at the time of grant based on any one or combination of certain performance criteria enumerated in the Plan. Performance share units are generally granted in the first quarter of the Company's fiscal year and are earned over a three-year period only when the Company's total shareholder return is positive and outperforms companies in a pre-defined group of retail peers.

On February 17, 2005, the Committee certified that the Company's performance goals had been achieved during the three-year performance cycle that began on February 1, 2002. As a result, those performance share units granted on February 1, 2002 vested at 125% of the original grant amount. Each performance share entitles the holder to the current value of one Common Share as of January 31, 2005 (\$48.25). Attached hereto as Exhibit 10.1 is the form of 2002 notice of award of performance share units. Attached hereto as Exhibit 10.2 is the form of 2002 performance share unit award agreement.

SIGNATURE

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

NORDSTROM, INC.

By: /s/ David L. Mackie

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

Dated: February 24, 2005

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
10.1	Form of 2002 Notice of Award of Performance Share Units
10.2	Form of 2002 Performance Share Unit Award Agreement
10.3	Nordstrom, Inc. 1997 Stock Option Plan, as Amended, incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q for the quarter ended August 2, 2003.

Nordstrom, Inc.

Notice of Award of Performance Share Units

First Name, Last Name

Employee No:

Award No:

On February 25, 2002, Nordstrom, Inc. awarded you _____
Performance Share Units (PSUs).

Your PSUs are earned based on the Nordstrom Total Shareholder Return (TSR) relative to the performance of our retail comparator group over the three-year period ending on January 31, 2005. If the Nordstrom TSR percentile rank within our retail comparator group reflects those shown below, your PSUs will be earned accordingly:

TSR Percentile	Vesting Percentage
-----	-----
>85th	125%
>75th	100%
>65th	85%
>50th	75%
<=50th	0%

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

Please keep this Notice for your records. You are not required to return this or any other document to Nordstrom, Inc. in connection with your grant.

If you have any questions about your grant, please call the Executive Benefits Department at (206) 303-5855 or tie line 8-805-5855.

Performance Share Unit Award Agreement

AN AWARD FOR PERFORMANCE SHARE UNITS for the number of shares of Common Stock (hereinafter the "Unit") as noted on your Notice of Award of Performance Share Units (the "Notice"), of Nordstrom, Inc., a Washington Corporation (the "Company"), is hereby granted to the "Unitholder" on the date set forth on your Notice, subject to the terms, definitions and provisions of the Nordstrom, Inc. 1997 Stock Option Plan (the "Plan") adopted by the Company, which is incorporated by reference herein. Each Unit is equal in value to one share of Nordstrom stock. The Units are subject to the following:

1. VESTING AND SETTLEMENT OF UNITS. Units shall vest and be settled in accordance with the provisions of the Plan as follows:

(a) VESTING. Units shall vest at the applicable percentage if the Company's Total Shareholder Return (TSR) performance relative to the TSR of other companies in the comparator group exceeds the corresponding percentile, as set forth below, three years from the February 1 preceding the date of the Award.

Percentile of Rank	Percent of Units Vested
> 85%	125%
> 75%	100%
> 65%	85%
> 50%	75%
< = 50%	0%

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

At the time of settlement, unless deferred into the EDCP, the Unitholder shall receive one share of Common Stock for each vested Unit. Alternatively, the Unitholder may elect to receive an equivalent amount of cash. The amount of cash will be determined on the basis of the market value of the Common Stock at the time of vesting.

(c) WITHHOLDING TAXES. No stock certificates or cash will be distributed to the Unitholder unless the Unitholder has made acceptable arrangements to pay any withholding taxes that may be due as a result of the settlement of this Award. These arrangements may include withholding shares of Common Stock that otherwise would be distributed when the Units are settled. These arrangements may also include surrendering shares of the Common Stock already owned. The fair market value of these shares, determined as of the date when taxes otherwise would have been withheld in cash, will be applied to the withholding taxes.

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

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

(a) If the Unitholder dies, the persons to whom the Unitholder's rights have passed by will or the laws of descent and distribution shall be entitled to settlement of the Units. Unitholder's beneficiary(ies) shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle.

(b) If the Unitholder's employment is terminated due to his or her

disability, as defined in Section 22(e) (3) of the Internal Revenue Code, Unitholder shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle.

(c) If the Unitholder's' employment is terminated due to his or her retirement upon attaining age 50 with 10 years of service to the Company or age 60, Unitholder shall be entitled to a prorated payment with respect to Units earned during the Performance Cycle.

(d) If the Unitholder's employment is terminated for any reason other than those set forth in subparagraphs (a), (b) and (c) above, Units, to the extent not vested and settled as of the date of his or her termination, shall be forfeited as of that date.

Notwithstanding anything above to the contrary, if during the term of this Award, Unitholder directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, shareholder, corporate officers, director or in any other capacity, engages or assists any third party in engaging in any business competitive with the Company; divulges any confidential or proprietary information of the Company to a third party who is not authorized by the Company to receive the confidential or proprietary information; or uses any confidential or proprietary information of the Company, then the post-termination proration of Units and settlement rights set forth above shall immediately cease and all outstanding vested and unvested portions of the Award shall be automatically forfeited.

3. TERM. Units not vested after three (3) years from the February 1 preceding the original grant of this Award shall be forfeited as of that date.

4. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION. As provided in the Plan, the number and kind of shares of Company stock subject to this Award shall be appropriately adjusted to reflect any stock dividend, stock split, split-up or any combination or exchange of shares, however accomplished.

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