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

FORM 10-K

(Mark One)

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended January 30, 2010

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition period from ________ to __________

Commission File No. 1-11084

KOHL'S CORPORATION
(Exact name of registrant as specified in its charter)

WISCONSIN	**39-1630919**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin	**53051**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(262) 703-7000**

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

Title of each class	Name of each exchange on which registered
Common Stock, $.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes X No ______.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ______ No X .

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No ______.

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer X Accelerated filer ______ Non-accelerated filer ______ (Do not check if a smaller reporting company) Smaller reporting company ______

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

At August 1, 2009, the aggregate market value of the voting stock of the Registrant held by stockholders who were not affiliates of the Registrant was approximately $14.8 billion (based upon the closing price of Registrant's Common Stock on the New York Stock Exchange on such date). At March 10, 2010, the Registrant had outstanding an aggregate of 306,974,796 shares of its Common Stock.

Documents Incorporated by Reference:

Portions of the Proxy Statement for the Registrant's Annual Meeting of Shareholders to be held on May 13, 2010 are incorporated into Parts II and III.

Table of Contents

PART I		3
Item 1.	Business	3
Item 1A.	Risk Factors	7
Item 1B.	Unresolved Staff Comments	11
Item 2.	Properties	11
Item 3.	Legal Proceedings	16
Item 4.	Reserved	16
PART II		17
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	17
Item 6.	Selected Consolidated Financial Data	20
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	33
Item 8.	Financial Statements and Supplementary Data	33
Item 9.	Changes In and Disagreements with Accountants on Accounting and Financial Disclosures	33
Item 9A.	Controls and Procedures	33
Item 9B.	Other Information	35
PART III		36
Item 10.	Directors, Executive Officers and Corporate Governance	36
Item 11.	Executive Compensation	37
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	37
Item 13.	Certain Relationships and Related Transactions, and Director Independence	37
Item 14.	Principal Accountant Fees and Services	37
PART IV		38
Item 15.	Exhibits and Financial Statement Schedules	38
	Signatures	39
	Exhibit Index	40
	Index to Consolidated Financial Statements	F-1

Table of Contents

PART I

Item 1. Business

Kohl's Corporation (the "Company" or "Kohl's") was organized in 1988 and is a Wisconsin corporation. We operate family-oriented department stores that sell moderately priced apparel, footwear and accessories for women, men and children; soft home products such as sheets and pillows; and housewares. Our stores generally carry a consistent merchandise assortment with some differences attributable to regional preferences. Our stores feature quality private and exclusive brands which are found "Only at Kohl's" as well as national brands. Our apparel and home fashions appeal to classic, modern classic and contemporary customers. As of January 30, 2010, we operated 1,058 stores in 49 states.

As reflected in the table below, our merchandise mix has been consistent over the last three years:

	2009	2008	2007
Women's	**32%**	32%	33%
Men's	**19**	19	19
Home	**18**	18	18
Children's	**13**	13	13
Accessories	**10**	10	9
Footwear	**8**	8	8

In addition, Kohl's offers on-line shopping on our website at www.Kohls.com. Designed as an added service for customers who prefer to shop using the internet, the website has grown to include a selection of items and categories beyond what is available in stores, with a primary focus on extended sizes, product line extensions, and web-exclusive product lines. The website is designed to provide a convenient, easy-to-navigate, on-line shopping environment that complements our in-store focus.

An important aspect of our pricing strategy and overall profitability is a culture focused on maintaining a low-cost structure. Critical elements of this low-cost structure are our unique store format, lean staffing levels, sophisticated management information systems and operating efficiencies which are the result of centralized buying, advertising and distribution.

Our fiscal year ends on the Saturday closest to January 31. Unless otherwise noted, references to years in this report relate to fiscal years, rather than to calendar years. Fiscal year 2009 ("2009") ended on January 30, 2010. Fiscal year 2008 ("2008") ended on January 31, 2009. Fiscal year 2007 ("2007") ended on February 2, 2008. Fiscal 2009, 2008 and 2007 were 52-week years.

Strategic Committees and Initiatives

We have two strategic committees which focus on opportunities to drive our overall profitability. The mission of the Regional Assortment Committee is to accelerate sales growth by varying merchandise assortment, marketing and store presentation by region to reflect the lifestyle preferences and climate needs of our customers. The mission of the In-Store Experience Committee is to consistently deliver an improved store experience that generates loyalty and grows market share.

The following initiatives have been designed to achieve the goals of the strategic committees:

- Our ***merchandise content initiatives*** are focused on increasing market share by expanding Kohl's appeal to a broader range of customers and by creating value and differentiation with private and exclusive brands which are available "Only at Kohl's." New brand launches in 2009 included:
  - Dana Buchman – a classic lifestyle brand, spanning several categories including women's apparel, intimate apparel, accessories, and footwear, launched in February 2009. Ultimately, the brand may be extended into home, beauty and fragrance categories.
  - Hang Ten – a California lifestyle collection for young shoppers launched in Spring 2009.

- Mudd – launched in juniors and girls prior to the 2009 back-to-school shopping season.
- LC Lauren Conrad – exclusive partnership with Lauren Conrad, launched in approximately 300 Kohl's stores and Kohls.com in October 2009. LC Lauren Conrad will be rolled out to all stores nationwide in March 2010. We accelerated the roll-out due to better than expected sales. Our original plans did not call for roll out until Fall 2010.

Helix, our newest private brand, launched in February 2010. Helix is an opening-price brand positioned in our Contemporary Good lifestyle/price zone and will be featured in young men's tops, fashion bottoms and shorts.

The success of our recently launched brands, as well as our other exclusive and private brands, continue to drive increased penetration of our exclusive and private labels. Exclusive and private brand sales as a percentage of total sales increased approximately 220 basis points to 44.3% for 2009.

- Our ***marketing initiatives*** are designed to differentiate Kohl's in the marketplace while maximizing the return on our marketing investment. Our 2009 marketing efforts used "The More You Know, The More You Kohl's" platform to focus on the value of shopping at Kohl's. Our marketing emphasized the power of Kohl's savings tools that allow our customer to save more money—like compelling sale events, savings for Kohl's Charge cardholders, sale events with no exclusions, and unique "Only at Kohl's" events such as Kohl's Cash and Power Hours.

  We used all media types to communicate the message including both national and spot television, radio, newspaper tab insertions, direct mail, e-mail and digital media along with our own Kohl's.com website. Our marketing also emphasized our flexible, no questions asked, return policy.

- Our ***inventory management initiatives*** are designed to ensure that we have the right inventory, in the right stores, at the right time. Size optimization is focused on ensuring that each of our individual stores has inventory in the correct style, color and size. Markdown optimization is focused on pricing clearance items at the appropriate price for each location's inventory and sales history.

  Another important inventory management initiative is to increase our speed-to-market through our concept-to customer strategy. Two years ago, it took 45 weeks from the start of development to the delivery of products to the stores. Today, our cycle time is typically 20 to 32 weeks, with our fastest brands delivering in 12 weeks and reorders in four to six weeks.

  During 2009, we continued to aggressively manage our inventory levels by reducing seasonal inventory levels, while maintaining levels in basic areas such as hosiery and underwear. As a result of strong inventory management and cycle time reductions, clearance inventory levels have decreased for a second consecutive year. Our year-end inventory per store (on a dollar basis) decreased 0.9% from last year.

- The objective of our ***in-store shopping experience initiative*** is to satisfy the changing needs and expectations of our customers. Practical, easy shopping is about convenience. At Kohl's, convenience includes a neighborhood location close to home, convenient parking, easily accessible entry, knowledgeable and friendly associates, wide aisles, a functional store layout, shopping carts/strollers and fast, centralized checkouts. Though our stores have fewer departments than traditional, full-line department stores, the physical layout of the store and our focus on strong in-stock positions in style, color and size is aimed at providing a convenient shopping experience for an increasingly time-starved customer.

  Remodels are also an important part of our in-store shopping experience initiative as we believe it is extremely important to maintain our existing store base, even in this difficult environment. We completed 51 store remodels in 2009—an increase from the 36 stores which were remodeled in 2008—and currently plan to remodel 85 stores in 2010. We have been able to compress the remodel duration period from 16 weeks to nine weeks over the past two years to minimize costs and disruption to our stores, benefiting our sales and customer experience.

Our new and remodeled stores continue to reflect our latest thoughts in store design. Recent enhancements include new and updated exteriors and point-of-sale stations; improved fitting rooms, lounges, restrooms and customer service areas; and specialty fixturing. We have also updated the junior's, kids, young men's and shoe departments and redesigned our center core to improve sightlines throughout the store. Remodels and new stores in 2010 will contain a dramatically re-designed home area which will allow us to have more capacity on the sales floor and provide more flexibility in our fixtures.

As a result of our in-store experience and other initiatives, we have seen an approximately 7% improvement in our customer service scorecard results in 2009. Customer service scores are delivered from direct customer surveys conducted by an independent research firm.

For discussion of our financial results, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Expansion

Our expansion strategy has been, and will continue to be, designed to achieve profitable growth. At the time of our initial public offering in 1992, we had 79 stores in the Midwest. As of year-end 2009, we operated 1,058 stores in 49 states and in every large and intermediate sized market in the United States. As a result of economic conditions throughout the United States, our store growth in 2009 was slower than in prior years.

				Estimated	
	2008	Net Additions	2009	Net Additions	2010
Number of stores	1,004	54	**1,058**	30	1,088
Gross square footage (in millions)	89	4	**93**	2	95
Retail selling square footage (in millions)	75	3	**78**	2	80

We expect that the expansion rate in 2009 and 2010 will be more indicative of future expansion than our past history. We will, however, continue to focus our future expansion efforts on opportunistic acquisitions given the current retail environment as well as fill-in stores in our better performing markets.

The Kohl's concept has proven to be transferable to markets across the country. New market entries are supported by extensive advertising and promotions which are designed to introduce new customers to the Kohl's concept of brands, value and convenience. Additionally, we have been successful in acquiring, refurbishing and operating locations previously operated by other retailers. Of the 1,058 stores we operated as of January 30, 2010, 237 are take-over locations, which facilitated our initial entry into several markets. Once a new market is established, we add additional stores to further strengthen market share and enhance profitability.

We remain focused on providing the solid infrastructure needed to ensure consistent, low-cost execution. We proactively invest in distribution capacity and regional management to facilitate growth in new and existing markets. Our central merchandising organization tailors merchandise assortments to reflect regional climates and preferences. Management information systems support our low-cost culture by enhancing productivity and providing the information needed to make key merchandising decisions.

We believe the transferability of the Kohl's retailing strategy, our experience in acquiring and converting pre-existing stores and in building new stores, combined with our substantial investment in management information systems, centralized distribution and headquarters functions provide a solid foundation for further expansion.

Distribution

We receive substantially all of our merchandise at nine retail distribution centers. A small amount of our merchandise is delivered directly to the stores by vendors or their distributors. The retail distribution centers,

which are strategically located through the United Sates, ship merchandise to each store by contract carrier several times a week. We also operate a 940,000 square foot fulfillment center in Monroe, Ohio that services our e-commerce business. Additionally, we plan to open a 970,000 square foot e-commerce fulfillment center in San Bernardino, California in June 2010 to provide increased capacity to support our growing e-commerce business.

See Item 2, "Properties," for additional information about our distribution centers.

Employees

As of January 30, 2010, we employed approximately 133,000 associates, including approximately 29,000 full-time and 104,000 part-time associates. The number of associates varies during the year, peaking during the back-to-school and holiday seasons. None of our associates are represented by a collective bargaining unit. We believe our relations with our associates are very good.

Competition

The retail industry is highly competitive. Management considers quality, value, merchandise mix, service and convenience to be the most significant competitive factors in the industry. Our primary competitors are traditional department stores, upscale mass merchandisers and specialty stores. Our specific competitors vary from market to market.

Merchandise Vendors

We purchase merchandise from numerous domestic and foreign suppliers. We have Terms of Engagement requirements which set forth the basic minimum requirements all business partners must meet in order to do business with Kohl's. Our Terms of Engagement include provisions regarding laws and regulations, employment practices, ethical standards, environmental and legal requirements, communication, monitoring/compliance, record keeping, subcontracting and corrective action. Our expectation is that all business partners will comply with these Terms of Engagement and quickly remediate any deficiencies, if noted, in order to maintain our business relationship.

None of our vendors accounted for more than 5% of our net purchases during 2009. We have no long-term purchase commitments or arrangements with any of our suppliers, and believe that we are not dependent on any one supplier. We believe we have good working relationships with our suppliers.

Seasonality

Our business, like that of most retailers, is subject to seasonal influences. The majority of our sales and income are typically realized during the second half of each fiscal year. The back-to-school season extends from August through September and represents approximately 15% of our annual sales. Approximately 30% of our sales occur during the holiday season in the months of November and December. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the fiscal year. In addition, quarterly results of operations depend upon the timing and amount of revenues and costs associated with the opening of new stores.

Trademarks and Service Marks

The name "Kohl's" is a registered service mark of one of our wholly-owned subsidiaries. We consider this mark and the accompanying name recognition to be valuable to our business. This subsidiary has over 125 additional registered trademarks, trade names and service marks, most of which are used in our private label program.

Available Information

Our internet website is www.Kohls.com. Through the "Investor Relations" portion of this website, we make available, free of charge, our proxy statements, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, SEC Forms 3, 4 and 5 and any amendments to those reports as soon as reasonably practicable after such material has been filed with, or furnished to, the Securities and Exchange Commission ("SEC").

The following have also been posted on our website, under the caption "Investor Relations-Corporate Governance:"

- Committee charters of our Board of Directors' Audit Committee, Compensation Committee and Governance & Nominating Committee
- Report to Shareholders on Social Responsibility
- Corporate Governance Guidelines
- Code of Ethics

Any amendment to or waiver from the provisions of the Code of Ethics that is applicable to our Chief Executive Officer, Chief Financial Officer or other key finance associates will be disclosed on the "Corporate Governance" portion of the website.

Information contained on our website is not part of this Annual Report on Form 10-K. Paper copies of any of the materials listed above will be provided without charge to any shareholder submitting a written request to our Investor Relations Department at N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin 53051 or via e-mail to Investor.Relations@Kohls.com.

Item 1A. Risk Factors

Forward Looking Statements

Items 1, 2, 3, 5, 7 and 7A of this Form 10-K contain "forward-looking statements," made within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believes," "anticipates," "plans," "may," "intends," "will," "should," "expects" and similar expressions are intended to identify forward-looking statements. In addition, statements covering our future sales or financial performance and our plans, performance and other objectives, expectations or intentions are forward-looking statements, such as statements regarding our liquidity, debt service requirements, planned capital expenditures, future store openings and adequacy of capital resources and reserves. There are a number of important factors that could cause our results to differ materially from those indicated by the forward-looking statements, including among others, those risk factors described below. Forward-looking statements relate to the date made, and we undertake no obligations to update them.

Declines in general economic conditions, consumer spending levels and other conditions could lead to reduced consumer demand for our merchandise and cause reductions in our sales and/or gross margin.

Consumer spending habits, including spending for the merchandise that we sell, are affected by, among other things, prevailing economic conditions, levels of employment, salaries and wage rates, prevailing interest rates, housing costs, energy costs, income tax rates and policies, consumer confidence and consumer perception of economic conditions. In addition, consumer purchasing patterns may be influenced by consumers' disposable income, credit availability and debt levels.

The recent slowdown has caused disruptions and significant volatility in financial markets, increased rates of default and bankruptcy and declining consumer and business confidence, which has led to decreased levels of

consumer spending, particularly on discretionary items. A continued or incremental slowdown in the U.S. economy and the uncertain economic outlook could continue to adversely affect consumer spending habits resulting in lower net sales and profits than expected on a quarterly or annual basis. As all of our stores are located in the United States, we are especially susceptible to deteriorations in the U.S. economy.

Consumer confidence is also affected by the domestic and international political situation. The outbreak or escalation of war, or the occurrence of terrorist acts or other hostilities in or affecting the United States, could lead to a decrease in spending by consumers.

Actions by our competitors could adversely affect our operating results.

The retail business is highly competitive. We compete for customers, associates, locations, merchandise, services and other important aspects of our business with many other local, regional and national retailers. Those competitors, some of which have a greater market presence than Kohl's, include traditional store-based retailers, internet and catalog businesses and other forms of retail commerce. Unanticipated changes in the pricing and other practices of those competitors may adversely affect our performance.

Product safety concerns could adversely affect our sales and operating results.

If our merchandise offerings do not meet applicable safety standards or our customers' expectations regarding safety, we could experience lost sales, experience increased costs and/or be exposed to legal and reputational risk. Events that give rise to actual, potential or perceived product safety concerns could expose us to government enforcement action and/or private litigation. Reputational damage caused by real or perceived product safety concerns, could have a negative impact on our sales.

If we do not offer merchandise our customers want and fail to successfully manage our inventory levels, our sales and/or gross margin may be adversely impacted.

Our business is dependent on our ability to anticipate fluctuations in consumer demand for a wide variety of merchandise. Failure to accurately predict constantly changing consumer tastes, preferences, spending patterns and other lifestyle decisions could create inventory imbalances and adversely affect our performance and long-term relationships with our customers. Additionally, failure to accurately predict changing consumer tastes may result in excess inventory, which could result in additional markdowns and adversely affect our operating results.

Ineffective marketing could adversely affect our sales and profitability.

In 2009, advertising costs, net of related vendor allowances, were $846 million. We believe that differentiating Kohl's in the marketplace is critical to our success. We design our marketing programs to increase awareness of our brands, which we expect will create and maintain customer loyalty, increase the number of customers that shop our stores and increase our sales. If our marketing programs are not successful, our sales and profitability could be adversely affected.

We may be unable to raise additional capital, if needed, or to raise capital on favorable terms.

Recently, the general economic and capital market conditions in the United States and other parts of the world have deteriorated significantly and have adversely affected access to capital and increased the cost of capital. If our existing cash, cash generated from operations and funds available on our lines of credit are insufficient to fund our future activities, including capital expenditures, or repay debt when it becomes due, we may need to raise additional funds through public or private equity or debt financing. If unfavorable capital market conditions exist if and when we were to seek additional financing, we may not be able to raise sufficient capital on favorable terms and on a timely basis (if at all). Failure to obtain capital on acceptable terms, or at all, when required by our business circumstances could have a material adverse effect on us including an inability to fund new growth and other capital expenditures.

Inefficient or ineffective allocation of capital could adversely affect our operating results and/or shareholder value.

Our goal is to invest capital to maximize our overall long-term returns. This includes spending on inventory, capital projects and expenses, managing debt levels, and periodically returning value to our shareholders through share repurchases. To a large degree, capital efficiency reflects how well we manage our other key risks. The actions taken to address other specific risks may affect how well we manage the more general risk of capital efficiency. If we do not properly allocate our capital to maximize returns, we may fail to produce optimal financial results and we may experience a reduction in shareholder value.

Changes in our credit card operations could adversely affect our sales and/or profitability.

Our credit card operations facilitate sales in our stores and generate additional revenue from fees related to extending credit. In connection with the April 2006 sale of our proprietary credit card accounts to JPMorgan Chase & Co. ("JPMorgan Chase"), we entered into a revenue-sharing agreement with JPMorgan Chase, which issues Kohl's branded private label credit cards to new and existing Kohl's customers. Net revenues of the program are shared with JPMorgan Chase according to a fixed percentage and are settled monthly. Net revenues include finance charge and late fee revenues, less write-offs of uncollectible accounts and other expenses.

The Credit Card Accountability Responsibility and Disclosure Act of 2009 (the "CARD Act") mandates fundamental changes to many of our current business practices, including marketing, underwriting, pricing and billing. Most of the requirements became effective in February 2010 and others will become effective in August 2010. Legislation has been proposed to accelerate the effective date of all of the CARD Act provisions effective as soon as the legislation is enacted, but prospects for enactment are uncertain. Although the Federal Reserve has issued final rules implementing most of the provisions of the CARD Act, it has yet to issue rules implementing the provisions that take effect in August 2010. Accordingly, it is difficult to assess the impact of those provisions at this time. While we have already made, and anticipate making additional, changes designed to lessen the impact of the changes required by the CARD Act, there is no assurance that we will be successful. If we are not able to lessen the impact of the changes required by the CARD Act, the changes could adversely impact the profitability of our credit operations and make it more difficult to extend credit to our customers and collect payments which would have a material adverse effect on our results of operations.

Changes in credit card use, payment patterns and default rates may also result from a variety of economic, legal, social and other factors that we cannot control or predict with certainty. Changes that adversely impact our ability to extend credit and collect payments could negatively affect our results.

Our current agreement with JPMorgan Chase expires in 2011. We are currently exploring various alternatives to this agreement, including entering into a new agreement with an alternative partner and expect to reach a decision by Fall 2010. This timing could be impacted by the timing of the issuance of final CARD Act regulations. We may be unable to negotiate a new contract at comparable terms which could significantly reduce the net revenues which we currently earn under this program. Should we be unable to negotiate a new agreement, we may repurchase the receivables. We currently expect to use a combination of cash and cash equivalents on hand and new debt to finance such a repurchase. As of January 30, 2010, outstanding receivables totaled approximately $3 billion. The outstanding receivable balance fluctuates during the year and typically reaches its highest level during the holiday season and its lowest level during the first quarter of the year.

Weather conditions could adversely affect our sales and/or profitability by affecting consumer shopping patterns.

Because a significant portion of our business is apparel and subject to weather conditions in our markets, our operating results may be adversely affected by severe or unexpected weather conditions. Frequent or unusually heavy snow, ice or rain storms or extended periods of unseasonable temperatures in our markets could adversely affect our performance by affecting consumer shopping patterns or diminishing demand for seasonal merchandise.

Our business is seasonal, which could adversely affect the market price of our common stock.

Our business is subject to seasonal influences, with a major portion of sales and income historically realized during the second half of the fiscal year, which includes the back-to-school and holiday seasons. This seasonality causes our operating results to vary considerably from quarter to quarter and could materially adversely affect the market price of our common stock.

We may be unable to source merchandise in a timely and cost-effective manner, which could adversely affect our sales and operating results.

Approximately 20% of the merchandise we sell is sourced through a third party purchasing agent. The remaining merchandise is sourced from a wide variety of domestic and international vendors. All of our vendors must comply with applicable laws and our required Terms of Engagement. Our ability to find qualified vendors and access products in a timely and efficient manner is a significant challenge which is typically even more difficult with respect to goods sourced outside the United States. Political or financial instability, trade restrictions, tariffs, currency exchange rates, transport capacity and costs and other factors relating to foreign trade, and the ability to access suitable merchandise on acceptable terms are beyond our control and could adversely impact our performance.

If any of our vendors were to become subject to bankruptcy, receivership or similar proceedings, we may be unable to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as current terms, which could adversely affect our sales and operating results.

An inability to attract and retain quality employees could result in higher payroll costs and adversely affect our operating results.

Our performance is dependent on attracting and retaining a large and growing number of quality associates. Many of those associates are in entry level or part-time positions with historically high rates of turnover. Our ability to meet our labor needs while controlling costs is subject to external factors such as unemployment levels, prevailing wage rates, minimum wage legislation and changing demographics. Changes that adversely impact our ability to attract and retain quality associates could adversely affect our performance.

An inability to open new stores could adversely affect our financial performance.

Our plan to continue to increase the number of our stores will depend in part upon the availability of existing retail stores or store sites on acceptable terms. Increases in real estate, construction and development costs could limit our growth opportunities and affect our return on investment. There can be no assurance that such stores or sites will be available for purchase or lease, or that they will be available on acceptable terms. If we are unable to grow our retail business, our financial performance could be adversely affected.

Regulatory and litigation developments could adversely affect our business operations and financial performance.

Various aspects of our operations are subject to federal, state or local laws, rules and regulations, any of which may change from time to time. We continually monitor the state and federal employment law environment for developments that may adversely impact us. Failure to detect changes and comply with such laws and regulations may result in an erosion of our reputation, disruption of business and/or loss of employee morale. Additionally, we are regularly involved in various litigation matters that arise in the ordinary course of our business. Litigation or regulatory developments could adversely affect our business operations and financial performance.

Damage to the reputation of our private and exclusive brands could adversely affect our sales.

We develop and promote private and exclusive brands that have generated national recognition. In some cases, the brands or the marketing of such brands are tied to or affiliated with well-known individuals. Damage to

the reputations of our private and exclusive label brand names or any affiliated individuals, could arise from product failures, litigation or various forms of adverse publicity and may generate negative customer sentiment, potentially resulting in a reduction in sales, earnings, and shareholder value.

Disruptions in our information systems could adversely affect our sales and profitability.

The efficient operation of our business is dependent on our information systems. In particular, we rely on our information systems to effectively manage sales, distribution, merchandise planning and allocation functions. We also generate sales though the operations of our Kohls.com website. The failure of our information systems to perform as designed could disrupt our business and harm sales and profitability.

Unauthorized disclosure of sensitive or confidential customer information could severely damage our reputation, expose us to risks of litigation and liability, disrupt our operations and harm our business.

As part of our normal course of business, we collect, process and retain sensitive and confidential customer information. Despite the security measures we have in place, our facilities and systems, and those of our third party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors, or other similar events. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential information, whether by us or our vendors, could severely damage our reputation, expose us to risks of litigation and liability, disrupt our operations and harm our business.

New legal requirements could adversely affect our operating results.

Our sales and results of operations may be adversely affected by new legal requirements, including proposed health care reform legislation and climate change and other environmental legislation and regulations. The costs and other effects of new legal requirements cannot be determined with certainty. For example, new legislation or regulations may result in increased costs directly for our compliance or indirectly to the extent such requirements increase prices of goods and services because of increased compliance costs or reduced availability of raw materials. At this point, we are unable to determine the impact that healthcare reform could have on our employer-sponsored medical plans.

Item 1B. Unresolved Staff Comments

Not applicable

Item 2. Properties

Stores

As of January 30, 2010, we operated 1,058 stores in 49 states. Our typical, or “prototype,” store has 88,000 gross square feet of retail space and serves trade areas of 150,000 to 200,000 people. Most “small” stores are 68,000 square feet and serve trade areas of 100,000 to 150,000 people. Our “urban” stores, currently located in the New York and Chicago markets, serve very densely populated areas of up to 500,000 people and average approximately 125,000 gross square feet of retail space.

Our typical lease has an initial term of 20-25 years and two to eight renewal options for consecutive five or ten-year extension terms. Substantially all of our leases provide for a minimum annual rent that is fixed or adjusts to set levels during the lease term, including renewals. Approximately one-fourth of the leases provide for additional rent based on a percentage of sales over designated levels.

Table of Contents

The following tables summarize key information about our stores.

	Number of Stores			Selling Square Footage		
	2008	Additions/ (Closures)	2009	2008	Additions/ (Closures)	2009
Mid-Atlantic:						
Delaware	5	—	**5**	399	—	**399**
Maryland	17	—	**17**	1,301	—	**1,301**
Pennsylvania	43	—	**43**	3,165	—	**3,165**
Virginia	27	(1)	**26**	1,988	(70)	**1,918**
West Virginia	7	—	**7**	503	—	**503**
Total Mid-Atlantic	99	(1)	**98**	7,356	(70)	**7,286**
Midwest:						
Illinois	61	—	**61**	4,706	—	**4,706**
Indiana	37	—	**37**	2,711	—	**2,711**
Iowa	14	—	**14**	954	—	**954**
Michigan	46	(1)	**45**	3,421	(68)	**3,353**
Minnesota	25	—	**25**	1,923	—	**1,923**
Nebraska	7	—	**7**	486	—	**486**
North Dakota	3	—	**3**	217	—	**217**
Ohio	56	—	**56**	4,190	—	**4,190**
South Dakota	2	—	**2**	169	—	**169**
Wisconsin	39	—	**39**	2,850	—	**2,850**
Total Midwest	290	(1)	**289**	21,627	(68)	**21,559**
Northeast:						
Connecticut	18	—	**18**	1,367	—	**1,367**
Maine	5	—	**5**	388	—	**388**
Massachusetts	21	—	**21**	1,682	—	**1,682**
New Hampshire	8	1	**9**	567	73	**640**
New Jersey	36	2	**38**	2,777	145	**2,922**
New York	44	1	**45**	3,411	73	**3,484**
Rhode Island	3	—	**3**	227	—	**227**
Vermont	1	—	**1**	77	—	**77**
Total Northeast	136	4	**140**	10,496	291	**10,787**
South Central:						
Arkansas	8	—	**8**	572	—	**572**
Kansas	9	1	**10**	663	53	**716**
Louisiana	4	1	**5**	291	60	**351**
Missouri	23	—	**23**	1,726	—	**1,726**
Oklahoma	9	—	**9**	668	—	**668**
Texas	78	2	**80**	5,754	135	**5,889**
Total South Central	131	4	**135**	9,674	248	**9,922**
Southeast:						
Alabama	10	—	**10**	689	—	**689**
Florida	43	5	**48**	3,213	375	**3,588**
Georgia	31	2	**33**	2,298	145	**2,443**
Kentucky	15	—	**15**	1,061	—	**1,061**
Mississippi	4	—	**4**	302	—	**302**
North Carolina	26	1	**27**	1,906	72	**1,978**
South Carolina	12	—	**12**	880	—	**880**
Tennessee	19	—	**19**	1,345	—	**1,345**
Total Southeast	160	8	**168**	11,694	592	**12,286**

Table of Contents

	Number of Stores			Selling Square Footage		
	2008	Additions/ (Closures)	2009	2008	Additions/ (Closures)	2009
West:						
Northwest:						
Alaska	—	1	**1**	—	73	**73**
Idaho	4	—	**4**	269	—	**269**
Montana	1	—	**1**	72	—	**72**
Oregon	9	—	**9**	593	—	**593**
Washington	15	—	**15**	1,016	—	**1,016**
Wyoming	1	—	**1**	52	—	**52**
Total Northwest	30	1	**31**	2,002	73	**2,075**
Southwest:						
Arizona	25	1	**26**	1,881	73	**1,954**
California	90	31	**121**	7,037	1,792	**8,829**
Colorado	22	1	**23**	1,698	74	**1,772**
Nevada	8	3	**11**	611	190	**801**
New Mexico	4	—	**4**	249	—	**249**
Utah	9	3	**12**	667	209	**876**
Total Southwest	158	39	**197**	12,143	2,338	**14,481**
Total West	188	40	**228**	14,145	2,411	**16,556**
Total Kohl's	1,004	54	**1,058**	74,992	3,404	**78,396**

Table of Contents

	Number of Stores by Greater Metropolitan Area		
	2008	Additions/ (Closures)	2009
New York City	60	2	**62**
Los Angeles	41	12	**53**
Chicago	50	—	**50**
Philadelphia	34	—	**34**
Atlanta	25	2	**27**
Dallas/Fort Worth	25	—	**25**
Detroit	25	(1)	**24**
Boston	23	1	**24**
San Francisco	16	8	**24**
Washington DC	23	—	**23**
Milwaukee	22	—	**22**
Minneapolis/St. Paul	22	—	**22**
Phoenix	21	1	**22**
Houston	19	—	**19**
Cleveland/Akron	18	—	**18**
Denver	17	1	**18**
Indianapolis	17	—	**17**
Sacramento	13	4	**17**
Columbus	15	—	**15**
Orlando	13	2	**15**
St. Louis	14	—	**14**
Hartford/New Haven	13	—	**13**
Cincinnati	12	—	**12**
Salt Lake City	9	3	**12**
Miami	9	2	**11**
Kansas City	10	—	**10**
Pittsburgh	10	—	**10**
Charlotte	10	—	**10**
San Diego	7	3	**10**
Raleigh Durham	9	1	**10**
Seattle/Tacoma	10	—	**10**
Other	392	13	**405**
	1,004	54	**1,058**

	Number of Stores by Store Type		
	2008	Net Additions	2009
Prototype	918	44	**962**
Small	82	10	**92**
Urban	4	—	**4**
	1,004	54	**1,058**

	Number of Stores by Ownership		
	2008	Net Additions	2009
Owned	363	9	**372**
Leased	396	3	**399**
Ground leased	245	42	**287***
	1,004	54	**1,058**

* Ground leased includes both ground leases and certain takeover leases where significant capital expenditures were made to the existing store.

	Number of Stores by Location		
	2008	Net Additions	2009
Strip centers	717	29	**746**
Community & regional malls	66	7	**73**
Free standing	221	18	**239**
	1,004	54	**1,058**

	Number of Stores by Building Type		
	2008	Net Additions	2009
One-story	930	41	**971**
Multi-story	74	13	**87**
	1,004	54	**1,058**

Distribution Centers

The following table summarizes key information about each of our retail distribution centers.

Location	Year Opened	Square Footage	States Serviced	Approximate Store Capacity
Findlay, Ohio	1994	780,000	Ohio, Michigan, Indiana	125
Winchester, Virginia	1997	420,000	Pennsylvania, Virginia, Maryland, Delaware, West Virginia	100
Blue Springs, Missouri	1999	540,000	Minnesota, Colorado, Missouri, Iowa, Kansas, Montana, Nebraska, North Dakota, South Dakota, Wyoming	105
Corsicana, Texas	2001	540,000	Texas, Oklahoma, Arkansas, Mississippi, Louisiana	110
Mamakating, New York	2002	605,000	New York, New Jersey, Massachusetts, Connecticut, New Hampshire, Rhode Island, Maine, Vermont	140
San Bernardino, California	2002	575,000	California, Arizona, Nevada, Utah, New Mexico	110
Macon, Georgia	2005	560,000	Alabama, Tennessee, Georgia, South Carolina, Florida, Kentucky, North Carolina	125
Patterson, California	2006	360,000	Alaska, California, Oregon, Washington, Idaho	110
Ottawa, Illinois	2008	328,000	Indiana, Illinois, Michigan, Wisconsin	165

We own all of the retail distribution centers except Corsicana, Texas, which is leased. We also own our corporate headquarters in Menomonee Falls, Wisconsin and a 940,000 square foot e-commerce fulfillment center in Monroe, Ohio. Additionally, we plan to open a 970,000 square foot e-commerce fulfillment center in San Bernardino, California in June 2010 to provide increased capacity to support our growing e-commerce business.

During the fourth quarter of 2009, we closed our Menomonee Falls, Wisconsin distribution center, the oldest and least efficient distribution center in our network. Stores previously supplied by this distribution center will be serviced by one of our nine remaining distribution centers, primarily the Ottawa, Illinois distribution center.

Item 3. Legal Proceedings

We are not currently a party to any material legal proceedings, but are subject to certain legal proceedings and claims from time to time that are incidental to our ordinary course of business.

Item 4. Reserved

Table of Contents

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Market information

Our Common Stock has been traded on the New York Stock Exchange since May 19, 1992, under the symbol "KSS." The prices in the table set forth below indicate the high and low sales prices of our Common Stock per the New York Stock Exchange Composite Price History for each quarter in 2009 and 2008.

	Price Range	
	High	Low
2009		
Fourth Quarter	$ 58.07	$ 49.87
Third Quarter	$ 60.89	$ 48.43
Second Quarter	$ 50.39	$ 40.64
First Quarter	$ 46.50	$ 32.50
2008		
Fourth Quarter	$ 39.74	$ 24.28
Third Quarter	$ 56.00	$ 25.18
Second Quarter	$ 50.81	$ 36.81
First Quarter	$ 50.93	$ 38.40

We have filed with the Securities and Exchange Commission ("SEC"), as Exhibits 31.1 and 31.2 to this Annual Report on Form 10-K, the Sarbanes-Oxley Act Section 302 certifications. In 2009, Kevin Mansell, our Chief Executive Officer, submitted a certification with the New York Stock Exchange ("NYSE") in accordance with Section 303A.12 of the NYSE Listed Company Manual stating that, as of the date of the certification, he was not aware of any violation by us of the NYSE's corporate governance listing standards.

(b) Holders

At March 10, 2010, there were 5,003 record holders of our Common Stock.

(c) Dividends

We have never paid a cash dividend. The payment of future dividends, if any, will be determined by our Board of Directors in light of existing business conditions, including our earnings, financial condition and requirements, restrictions in financing agreements and other factors deemed relevant by the Board of Directors.

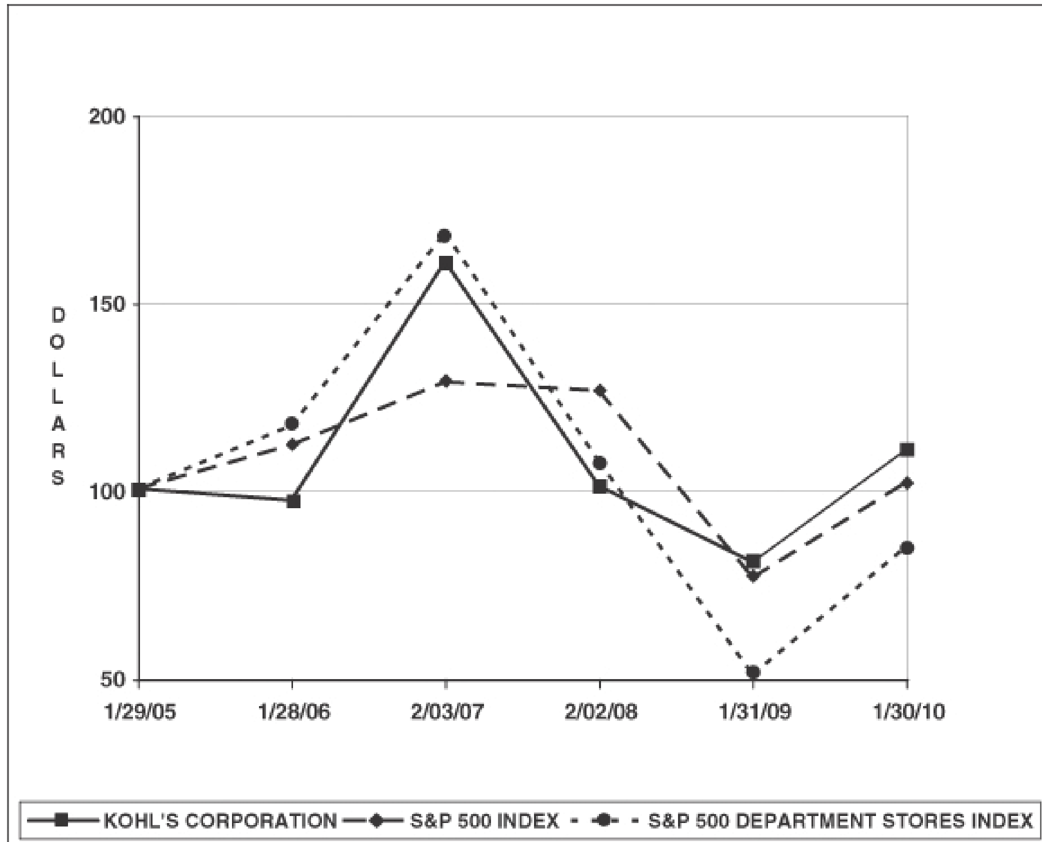
(d) Securities Authorized For Issuance Under Equity Compensation Plans

See the information provided in the "Equity Compensation Plan Information" section of the Proxy Statement for our May 13, 2010 Annual Meeting of Shareholders, which information is incorporated herein by reference.

Table of Contents

(e) Performance Graph

The graph below compares our cumulative five-year stockholder return to that of the Standard & Poor's 500 Index and the S&P 500 Department Stores Index. The S&P 500 Department Stores Index was calculated by Standard & Poor's Investment Services and includes Kohl's; JCPenney Company, Inc.; Dillard's, Inc.; Macy's, Inc.; Nordstrom Inc.; and Sears Holding Corporation. The graph assumes investment of $100 on January 29, 2005 and reinvestment of dividends. The calculations exclude trading commissions and taxes.



	2004	2005	2006	2007	2008	2009
Kohl's Corporation	$ 100.00	$ 96.89	$ 160.35	$ 100.68	$ 80.47	$ 110.41
S&P 500 Index	100.00	111.63	128.37	126.05	76.43	101.76
S&P 500 Department Stores Index	100.00	116.76	167.93	107.22	50.65	84.67

(f) Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

We did not sell any equity securities during 2009 which were not registered under the Securities Act.

(g) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In September 2007, our Board of Directors authorized a $2.5 billion share repurchase program which is intended to return excess capital to our shareholders. As a result of the current economic environment, we have not purchased any shares under this program since July 2008. The program does not have a specified termination date.

Table of Contents

The following table contains information for shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees' restricted stock during the three fiscal months ended January 30, 2010:

Period	Total Number of Shares Purchased During Period	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(In millions)
Nov. 1 – Nov. 28, 2009	999	$55.52	—	$ 1,866
Nov. 29, 2009 – Jan. 2, 2010	306	$56.18	—	1,866
Jan. 3 – Jan. 30, 2010	—	—	—	1,866
Total	1,305	$55.67	—	$ 1,866

Table of Contents

Item 6. Selected Consolidated Financial Data

The selected consolidated financial data presented below should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this document. The Statement of Income and Balance Sheet Data have been derived from our audited consolidated financial statements.

	2009	2008	2007	2006	2005
	(Dollars in Millions, Except Per Share and Per Square Foot Data)				
Statement of Income Data:					
Net sales	**$ 17,178**	$16,389	$ 16,474	$15,597	$ 13,444
Cost of merchandise sold	**10,680**	10,334	10,460	9,922	8,664
Gross margin	**6,498**	6,055	6,014	5,675	4,780
Selling, general and administrative expenses	**4,144**	3,936	3,697	3,422	2,981
Depreciation and amortization	**590**	541	452	388	339
Preopening expenses	**52**	42	61	50	44
Operating income	**1,712**	1,536	1,804	1,815	1,416
Interest expense, net	**124**	111	62	41	70
Income before income taxes	**1,588**	1,425	1,742	1,774	1,346
Provision for income taxes	**597**	540	658	665	504
Net income	**$ 991**	$ 885	$ 1,084	$ 1,109	$ 842
Net income per share:					
Basic	**$ 3.25**	$ 2.89	$ 3.41	$ 3.34	$ 2.45
Diluted	**$ 3.23**	$ 2.89	$ 3.39	$ 3.31	$ 2.43
Operating Data:					
Comparable store sales growth (a)	**0.4%**	(6.9%)	(0.8%)	5.9%	3.4%
Net sales per selling square foot (b)	**$ 217**	$ 222	$ 249	$ 256	$ 252
Total square feet of selling space (end of period, in thousands)	**78,396**	74,992	69,889	62,357	56,625
Number of stores open (end of period)	**1,058**	1,004	929	817	732
Return on average shareholders' equity (c)	**13.8%**	14.0%	18.5%	19.5%	15.5%
Balance Sheet Data (end of period):					
Working capital	**$ 3,095**	$ 1,884	$ 1,952	$ 1,481	$ 2,520
Property and equipment, net	**7,018**	6,984	6,510	5,353	4,616
Total assets	**13,160**	11,363	10,575	9,046	9,146
Long-term debt and capital leases	**2,052**	2,053	2,052	1,040	1,046
Shareholders' equity	**7,853**	6,739	6,102	5,603	5,956

(a) Comparable store sales growth is based on sales for stores (including e-commerce sales and relocated or expanded stores) which were open throughout both the full current and prior year periods. Fiscal 2006 was a 53-week year. Comparable store sales growth for 2006 is presented for the 52-weeks ended January 27, 2007 and excludes approximately $200 million in sales which were earned in the 53 rd week of that year.

(b) Net sales per selling square foot is based on stores open for the full current period, excluding e-commerce. Fiscal 2006 excludes the impact of the 53 rd week.

(c) Average shareholders' equity is based on a 5-quarter average.

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

Executive Summary

The current economic slowdown has caused disruptions and significant volatility in financial markets, increased rates of mortgage loan default and personal bankruptcy, and declining consumer and business confidence, which has led to decreased levels of consumer spending, particularly on discretionary items. Though we have seen some improvement throughout 2009, as evidenced by increases in our comparable store sales, we believe that our core customer continues to face economic challenges which will result in a very competitive 2010.

Total net sales for 2009 were $17.2 billion, a 4.8% increase from 2008. Comparable store sales increased 0.4% over 2008. The Southwest region and the Accessories business reported the strongest comparable store sales growth.

Gross margin as a percent of net sales for the year increased approximately 88 basis points over the 2008 rate to 37.8%. Strong inventory management as well as increased penetration of private and exclusive brands contributed to the margin strength. Ending inventory per store (in dollars) decreased 0.9% compared to 2008.

Selling, general and administrative expenses ("SG&A") increased approximately 5% compared to the prior year. SG&A as a percentage of net sales, increased, or "deleveraged" primarily due to increased incentive compensation and changes made to our non-management compensation structure. SG&A expenses for the year increased at a rate faster than sales, but at a rate slower than new store growth of 5.5%. Our cost control initiatives are focused on sustainable productivity improvements, not one-time cutting of expenses. While we will continue to look for ways to become more efficient, we intend to keep the customer experience in our stores a priority in order to provide consistency across our stores and intend to continue to invest more in store payroll to improve our customer service.

Net income increased approximately 12% for 2009 to $991 million, or $3.23 per diluted share, compared to $885 million, or $2.89 per diluted share for 2008.

We ended the year with 1,058 stores in 49 states, including 56 which were successfully opened in 2009. We completed 51 store remodels, compared to 36 stores last year. In fiscal 2010, we expect to open approximately 30 stores and remodel 85 stores. Remodels remain a critical part of our long-term strategy as we believe it is extremely important to maintain our existing store base, even in this difficult economic environment.

Our current expectations for fiscal 2010 assume that consumer spending will continue to be weak throughout 2010. We expect comparable store sales will be driven by increased market share as we expect average transaction value to remain under pressure. Our current expectations for both the first quarter and fiscal 2010 compared to comparable fiscal 2009 periods are as follows:

- Total sales increase of 4% to 6%
- Comparable store sales increase of 1% to 3%
- Gross margin increase of 20 to 30 basis points
- SG&A dollars to increase 4% to 5%
- Earnings per diluted share of $0.48 to $0.52 for the first quarter of 2010 and $3.40 to $3.63 for fiscal 2010.

Results of Operations

Our fiscal year ends on the Saturday closest to January 31. Unless otherwise noted, references to years in this report relate to fiscal years, rather than to calendar years. Fiscal year 2009 ("2009") ended on January 30, 2010, fiscal year 2008 ("2008") ended on January 31, 2009 and fiscal year 2007 ("2007") ended on February 2, 2008. All three years were 52-week years.

Table of Contents

Net sales.

	2009	2008	2007
Net sales (in millions)	**$17,178**	$16,389	$16,474
Number of stores:			
Open at end of period	**1,058**	1,004	929
Comparable stores (a)	**929**	817	732
Sales growth:			
All stores	**4.8%**	(0.5%)	5.6%
Comparable stores (a)	**0.4%**	(6.9%)	(0.8%)
Net sales per selling square foot (b)	**$ 217**	$ 222	$ 249

(a) Comparable store sales growth is based on sales for stores (including e-commerce sales and relocated or expanded stores) which were open throughout both the full current and prior year periods.

(b) Net sales per selling square foot is based on stores open for the full current period, excluding e-commerce.

Net sales for 2009 increased $789 million, or 4.8%, over 2008. New stores contributed $719 million to the increase in net sales over the prior year. Comparable store sales increased $70 million. We opened 56 new stores in 2009, 75 stores in 2008 and 112 stores in 2007. As we open new stores, especially in existing markets, sales may be transferred from existing stores. We estimate that opening new stores in existing markets negatively impacted comparable store sales by approximately 1% in 2009.

Drivers of the changes in comparable stores sales were as follows:

	2009	2008	2007
Selling price per unit	**2.3%**	1.9%	(0.3)%
Units per transaction	**(4.3)**	(2.9)	0.9
Average transaction value	**(2.0)**	(1.0)	0.6
Number of transactions	**2.4**	(5.9)	(1.4)
Comparable store sales	**0.4%**	(6.9)%	(0.8)%

Net sales, especially in the Southwest region, were favorably impacted by the closure of Mervyn’s department stores. We continue to aggressively pursue former Mervyn’s customers through increased advertising efforts and targeted efforts in stores most likely to benefit from former Mervyn’s customers. In these stores, we have increased staffing levels and provided higher inventory levels and wider assortments in selected categories. We estimate that the Mervyn’s closure increased our comparable store sales by approximately 140 basis points for the year.

The Southwest region reported the strongest 2009 sales growth with comparable store sales increases in the high single digits. We expect to continue to produce strong results in the Southwest in 2010, but we believe our other hot and mild regions will benefit more substantially in 2010 from the merchandising and marketing tactics we developed in 2009 in the Southwest.

Lower units per transaction resulted in negative comparable store sales in all regions other than the Southwest and Northwest.

By line of business, Accessories, Footwear and Home outperformed our comparable store sales for the year. Accessories was led by strength in sterling silver jewelry, fashion jewelry, and handbags. In Footwear, women’s, athletic and children’s shoes performed best. Home was strong in small electrics, bedding and bath. Men’s was similar to the company average and was led by active, basics and casual sportswear. Children’s and Women’s were below the company average. The Children’s business had strength in toys, infants/toddlers and boys.

Women's was strongest in intimate and both classic and updated sportswear, driven by substantial improvement in key private brands such as Sonoma, Croft and Barrow and Apt 9 which achieved strong fourth quarter increases.

E-commerce revenues increased 38.0% to $492 million for 2009. The sales growth is primarily the result of increased style and size selections offered on-line compared with our in-store selection as well as the expansion of product categories not available in our stores.

Net sales per selling square foot decreased 2% to $217 in 2009. The decrease is primarily due to the underperformance of stores opened in 2008.

Net sales for 2008 decreased $85 million, or 0.5%, from 2007. New stores contributed $1.0 billion to the increase in net sales over the prior year. Comparable store sales decreased $1.1 billion, or 6.9% (see the table above for drivers of the change). From a line of business perspective, Accessories reported the strongest comparable store sales in 2008 with strength in sterling silver jewelry and accessories/handbags. Children's, Men's and Footwear outperformed the comparable store sales for the year, while Women's and Home trailed the company. The Northeast, Midwest and Mid-Atlantic regions reported the strongest comparable store sales for 2008. E-commerce revenues increased 48% to $356 million for 2008 as we continued to expand the selections offered on-line.

As reflected in the table below, our merchandise mix has remained relatively constant over the last three years:

	2009	2008	2007
Women's	**32%**	32%	33%
Men's	**19**	19	19
Home	**18**	18	18
Children's	**13**	13	13
Accessories	**10**	10	9
Footwear	**8**	8	8

Gross margin.

	2009	2008	2007
		(Dollars in millions)	
Gross margin	**$6,498**	$6,055	$6,014
As a percent of net sales	**37.8%**	36.9%	36.5%

Gross margin includes the total cost of products sold, including product development costs, net of vendor payments other than reimbursement of specific, incremental and identifiable costs; inventory shrink; markdowns; freight expenses associated with moving merchandise from our vendors to our distribution centers; shipping and handling expenses of e-commerce sales; and terms cash discount. Our gross margin may not be comparable with that of other retailers because we include distribution center costs in selling, general and administrative expenses while other retailers may include these expenses in cost of merchandise sold.

The $443 million, or 7.3%, increase in gross margin dollars for 2009 compared to 2008 reflects higher sales volume including incremental sales at newly-opened stores. Gross margin as a percentage of sales increased 88 basis points to 37.8% for 2009. Strong inventory management and increased penetration of private and exclusive brands contributed to the margin strength. In addition to carrying a lower level of inventory per store, we continue to focus on receiving merchandise in season as needed through our cycle time reduction initiatives. This strategy reduces our seasonal merchandise clearance inventories. Sales of private and exclusive brands reached 44% of net sales for 2009, an increase of 220 basis points over 2008. Additionally, our ongoing markdown and size optimization initiatives continue to develop and have favorable impacts on our gross margin as a percent of net sales.

Table of Contents

Gross margin for 2008 increased $41 million, or 0.7%, over 2007. The improvement in gross margin as a percent of net sales for 2008 compared to 2007 was driven by the continued impact of our merchandise and inventory management initiatives and increased penetration of private and exclusive brands. Sales of private and exclusive brands were approximately 42% of net sales for 2008, an increase of over 260 basis points over 2007.

Selling, general and administrative expenses.

	2009	2008	2007
		(Dollars in millions)	
Selling, general, and administrative expenses	**$4,144**	$3,936	$3,697
As a percent of net sales	**24.1%**	24.0%	22.4%

Selling, general and administrative expenses ("SG&A") include compensation and benefit costs (including stores, headquarters, buying and merchandising and distribution centers); occupancy and operating costs of our retail, distribution and corporate facilities; freight expenses associated with moving merchandise from our distribution centers to our retail stores, and among distribution and retail facilities; advertising expenses, offset by vendor payments for reimbursement of specific, incremental and identifiable costs; net revenues from the Kohl's credit card agreement with JPMorgan Chase; and other administrative costs. We do not include depreciation and amortization and preopening expenses in SG&A. The classification of these expenses varies across the retail industry.

SG&A for 2009 increased $208 million, or 5.3%, over 2008. SG&A increased primarily due to store growth and increased incentive compensation and changes made to our non-management compensation structure.

Hourly store payroll costs as a percentage of net sales decreased, or "leveraged," in 2009 as reduced inventory and clearance levels resulted in fewer hours spent on replenishment and inventory markdowns. We were able to shift some of these savings to provide additional customer assistance on the selling floor and at point-of-sale. This emphasis on customer service contributed to an approximately 7% improvement in our customer service scores over the prior year. Customer service scores are derived from direct customer surveys conducted by an independent research firm.

Distribution center costs, which are included in SG&A, totaled $168 million for 2009, $166 million for 2008 and $165 million for 2007. Payroll costs increased as increased sales required additional processing hours to facilitate the transfer of merchandise to the stores. These increases were offset by the benefits of technology investments in our distribution centers that continue to generate operating efficiencies. Lower fuel costs also contributed to the decrease.

In connection with the April 2006 sale of our proprietary credit card accounts to JPMorgan Chase & Co. ("JPMorgan Chase"), we entered into a service and revenue-sharing agreement. Pursuant to this agreement, JPMorgan Chase issues Kohl's branded private label credit cards to new and existing Kohl's customers. Since we do not own the receivables, the receivables and the related allowance for bad debt reserve are not reported on our balance sheets. Risk-management decisions are jointly managed by JPMorgan Chase and us. We handle all customer service functions and are responsible for all advertising and marketing related to credit card customers and the majority of the associated expenses. Net revenues of the program are shared with JPMorgan Chase according to a fixed percentage and are settled monthly. Net revenues include finance charge and late fee revenues, less write-offs of uncollectible accounts and other expenses. Net revenues from the credit card program increased in 2009 as growth in finance charges and late fee revenues exceeded increases in write-offs of uncollectible accounts.

Advertising and information services expenses, measured in both dollars and as a percentage of net sales, decreased in 2009 compared to 2008. Advertising expenses, net of vendor allowances, were $846 million for 2009 and $890 million for 2008.

Partially offsetting these expense reductions were higher fixed occupancy and variable store costs due primarily to an increase in the number of stores and higher accrued incentive expenses as a result of improved performance for 2009 and changes to our non-management compensation structure.

SG&A for 2008 increased $239 million, or 6.5%, over 2007. The net increase in SG&A dollars reflects incremental costs at newly-opened stores, partially offset by decreases at comparable stores reflecting our commitment to control costs in a difficult economic environment. SG&A increased more than sales, but less than new store growth of 8.1%.

Depreciation and amortization.

	2009	2008	2007
		(In millions)	
Depreciation and amortization	**$590**	$541	$452

The increases in depreciation and amortization are primarily due to the addition of new stores and remodels.

Preopening expenses.

	2009	2008	2007
Preopening expenses (in millions)	**$52**	$ 42	$ 61
Number of stores opened	**56**	75	112

Preopening expenses include the costs incurred prior to new store openings, such as advertising, hiring and training costs for new employees, processing and transporting initial merchandise, and rent expense. The average cost per store fluctuates based on the mix of stores opened in new markets compared to existing markets, with new markets being more expensive.

Preopening expenses for 2009 increased despite a decrease in the number of stores opened primarily due to an increase in the number of leased stores which opened in 2009. Under Generally Accepted Accounting Principles (“GAAP”), we are required to recognize rent expense when we take possession of the property, so we must recognize rental expense for ground leased properties several months prior to the actual opening of the store and, in most cases, before rental payments are due.

Preopening expense for 2008 decreased compared to 2007 primarily due to a decrease in the number of stores slightly offset by an increase in cost per store due to the number of ground lease stores.

Operating income.

	2009	2008	2007
		(Dollars in millions)	
Operating income	**$1,712**	$1,536	$1,804
As a percent of net sales	**10.0%**	9.4%	11.0%

The changes in operating income and operating income as a percent of net sales are due to the factors discussed above.

Interest expense.

	2009	2008	2007
		(In millions)	
Interest expense, net	**$124**	$111	$62

Net interest expense for 2009 increased $13 million, or 12%, over 2008. The increase is attributable to lower interest income due to lower interest rates on our investments, partially offset by higher average investments. A reduction in capitalized interest due to lower capital expenditures in 2009 also contributed to the increase in interest expense.

Net interest expense for 2008 increased $49 million, or 79%, over 2007 primarily due to $1 billion in new debt that was issued in September 2007. Reductions in capitalized interest due to lower capital expenditures also contributed to the increase.

Income taxes.

	2009	2008	2007
		(Dollars in millions)	
Provision for income taxes	**$ 597**	$ 540	$658
Effective tax rate	**37.6%**	37.9%	37.8%

The effective tax rate for 2009 was comparable to the 2008 and 2007 tax rates.

Inflation

Although we expect that our operating results will be influenced by general economic conditions, including fluctuations in food, fuel and energy prices, we do not believe that inflation has had a material effect on our results of operations during the periods presented. However, there can be no assurance that our business will not be affected by inflation in the future.

Liquidity and Capital Resources

Our primary ongoing cash requirements are for capital expenditures in connection with our expansion and remodeling programs and seasonal and new store inventory purchases. Our primary sources of funds are cash flow provided by operations, short-term trade credit and our lines of credit. Short-term trade credit, in the form of extended payment terms for inventory purchases, represents a significant source of financing for merchandise inventories. Seasonal cash needs may be met by the line of credit available under our revolving credit facility. Our working capital and inventory levels typically build throughout the fall, peaking during the November and December holiday selling season.

We anticipate that we will be able to satisfy our working capital requirements, planned capital expenditures and debt service requirements with available cash and cash equivalents, proceeds from cash flows from operations, short-term trade credit, seasonal borrowings under our revolving credit facility and other sources of financing. We expect to generate adequate cash flow from operating activities to sustain current levels of operations.

As of January 30, 2010, we had cash and cash equivalents of $2.3 billion. We generated $1.6 billion of free cash flow in 2009 and expect to generate $800 to $900 million in 2010. (See the Free Cash Flow discussion later in this Liquidity and Capital Resources section for additional discussion of free cash flow, a non-GAAP financial measure.)

We have no debt maturing prior to 2011. We expect to use cash and cash equivalents on hand and funds from operations to repay both the $300 million of long-term debt which is due in March 2011 and the $100 million of long-term debt which is due in October 2011.

In the first quarter of 2006, we sold our proprietary credit card accounts and entered into a service and revenue-sharing agreement with JPMorgan Chase. This agreement will expire in April 2011. We are currently

exploring various options related to the Kohl's credit card, including entering into a new agreement with an alternative partner. We expect to reach a decision by Fall 2010. This timing could be impacted by the timing of the issuance of the final CARD Act regulation. We currently believe that we will be able to negotiate a new contract with a financial institution that would be similar in nature to our existing arrangement. If, however, we are unable to do so, we may repurchase the receivables from JPMorgan Chase. We would expect to use a combination of cash on hand, funds from operations and/or proceeds from the issuance of debt and/or stock to fund the repurchase of the receivables. If we do not repurchase the receivables, we will consider other potential uses for our cash equivalent balances after finalizing a new agreement.

	2009	2008 (In millions)	2007
Net cash provided by (used in):			
Operating activities	**$2,234**	$1,698	$ 1,205
Investing activities	**(640)**	(963)	(1,596)
Financing activities	**30**	(273)	325

Operating activities.

Cash provided by operations increased 32% in 2009 to $2.2 billion. The most significant source of operating cash flow for 2009 was a $258 million increase in cash flows from accounts payable activities. Short-term trade credit, in the form of extended payment terms for inventory purchases, represents a significant source of financing for merchandise inventories.

At January 30, 2010, total merchandise inventories increased $124 million, or 4%, from year-end 2008. On a dollars per store basis, merchandise inventories at January 30, 2010 decreased 0.9% from year-end 2008. Clearance inventory units per store are down approximately 14%. These reductions are the result of inventory management initiatives, including our conservative sales and receipt planning and lower clearance levels.

Accounts payable at January 30, 2010 increased $307 million from year-end 2008. Accounts payable as a percent of inventory was 40.6% at January 30, 2010, compared to 31.5% at year-end 2008. Our cycle time process improvements on fashion categories and a focus on replenishment of basics have allowed us to consistently receive inventory based on sales volume and to improve our inventory management by merchandise area and store location. With the cooperation of our vendor partners, we have been able to reduce our lead time by accelerating inventory receipts to support our recent sales growth. Extended payment terms have also contributed to an increase in our accounts payable balance. We provided our vendors with financing, at a rate better than market, in exchange for extended payment terms.

Despite the decrease in net income in 2008, cash provided by operations increased 41% over 2007 to $1.7 billion in 2008, primarily due to a $335 million reduction in cash used for inventory purchases. Compared to year-end 2007, total merchandise inventories at January 31, 2009 decreased 2% and inventory per store decreased 9.3%. Clearance inventory units per store were down approximately four times more than total inventory per store. These reductions were the result of our conservative sales and receipt planning. Accounts payable at January 31, 2009 increased $45 million from year-end 2007. Accounts payable as a percent of inventory was 31.5% at January 31, 2009, compared to 29.3% at year-end 2007, primarily due to strong inventory management, our cycle time reduction initiatives and improved vendor financing management.

Investing activities.

Net cash used in investing activities decreased $323 million to $640 million in 2009, primarily due to a decrease in capital expenditures.

Table of Contents

Capital expenditures include costs for new store openings, store remodels, distribution center openings and other base capital needs. Capital expenditures totaled $666 million for 2009, a $348 million decrease from 2008. This decrease is primarily due to a decrease in the number of new store openings from 75 in 2008 to 56 in 2009.

Capital expenditures, including favorable lease rights, by major category were as follows:

	2009	2008	2007
New stores	**54%**	68%	77%
Remodels/relocations	**16**	12	6
Distribution centers	**—**	4	3
Capitalized software	**9**	5	4
Fixtures and store improvements	**9**	4	3
Other	**12**	7	7
Total	**100%**	100%	100%

Despite a decrease in new store openings (30 expected in 2010 compared to 56 in 2009), we expect total capital expenditures to increase to approximately $900 million in fiscal 2010 due to an increase in store remodels (85 expected in 2010 compared to 51 in 2009), the purchase of a second e-commerce distribution facility on the west coast, and significant investment in our website to support the rapid growth of our e-commerce business. The actual amount of our future capital expenditures will depend primarily on the number of new stores opened, the mix of owned, leased or acquired stores, the number of stores remodeled and the timing of distribution center openings. We do not anticipate that our expansion plans will be limited by any restrictive covenants in our financing agreements. We believe that our capital structure is well positioned to support our expansion plans. We anticipate that internally generated cash flows will be the primary source of funding for future growth.

Net purchases and sales of long-term investments generated cash of $28 million in 2009 and $40 million in 2008. As of January 30, 2010, we had investments in auction rate securities ("ARS") with a par value of $379 million and an estimated fair value of $320 million. ARS are long-term debt instruments with interest rates reset through periodic short term auctions, which are typically held every 35 days. Beginning in February 2008, liquidity issues in the global credit markets resulted in the failure of auctions for all of our ARS. A "failed" auction occurs when the amount of securities submitted for sale in the auction exceeds the amount of purchase bids. As a result, holders are unable to liquidate their investment through the auction. A failed auction is not a default of the debt instrument, but does set a new interest rate in accordance with the terms of the debt instrument. A failed auction limits liquidity for holders until there is a successful auction or until such time as another market for ARS develops. ARS are generally callable by the issuer at any time. Scheduled auctions continue to be held until the ARS matures or is called.

To date, we have collected all interest payable on outstanding ARS when due and expect to continue to do so in the future. In addition, all redemptions to date were made at par. At this time, we have no reason to believe that any of the underlying issuers of our ARS or their insurers are presently at risk or that the reduced liquidity has had a significant impact on the underlying credit quality of the assets backing our ARS. While the auction failures limit our ability to liquidate these investments, we believe that the ARS failures will have no significant impact on our ability to fund ongoing operations and growth initiatives.

Net cash used in investing activities was $1.0 billion in 2008 compared to $1.6 billion in 2007. The decrease reflects lower capital expenditures, substantially offset by net investment activity. Capital expenditures totaled $1.0 billion for 2008, a $528 million decrease from 2007. This decrease is primarily due to a decrease of 37 store openings in 2008 compared to 2007. Net purchases and sales of long-term investments generated cash of $40 million in 2008 and used cash of $80 million in 2007.

Table of Contents

Financing activities.

Our financing activities provided cash of $30 million in 2009 compared to using $273 million in 2008. The change is primarily due to treasury stock purchases in the first six months of 2008.

We have no debt maturing until 2011. We expect to use cash on hand and funds from operations to repay both the $300 million of long-term debt which is due in March 2011 and the $100 million of long-term debt which is due in October 2011.

Our credit ratings have been unchanged since September 2007 when we issued $1 billion in debt. Our ratings are currently as follows:

	Moody's	Standard & Poor's	Fitch
Long-term debt	Baa1	BBB+	BBB+

We may from time to time seek to retire or purchase our outstanding debt through open market cash purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved could be material. In September 2007, our Board of Directors authorized a $2.5 billion share repurchase program which is intended to return excess capital to our shareholders. As a result of the current economic environment, we have not purchased any shares under this program since July 2008. In 2008, we repurchased 6.0 million shares at a total cost of $261 million. The program does not have a specified termination date.

Our financing activities used cash of $273 million in 2008 and provided cash of $325 million in 2007. The change reflects the proceeds from the issuance of $1 billion of debt in 2007 and lower treasury stock purchases in 2008.

Key financial ratios.

Key financial ratios that provide certain measures of our liquidity are as follows:

	2009	2008	2007
Working capital (In Millions)	**$ 3,095**	$ 1,884	$1,952
Current ratio	**2.29:1**	2.02:1	2.09:1
Debt/capitalization	**20.8%**	23.5%	25.3%
Ratio of earnings to fixed charges	**4.42**	4.47	5.97

The increase in working capital and the current ratio as of year-end 2009 compared to year-end 2008 was primarily due to higher cash and cash equivalents. The decrease in the debt/capitalization ratio reflects higher capitalization, primarily due to earnings. The ratio of earnings to fixed charges was comparable to 2008. See Exhibit 12.1 to this Annual Report on Form 10-K for the calculation of this ratio.

The decreases in working capital and the current ratio as of year-end 2008 compared to year-end 2007 were primarily due to lower inventory levels and a higher accounts payable balance. The debt/capitalization ratio reflects higher capitalization at year-end 2008 compared to year-end 2007 due to current year earnings. The decrease in the earnings to fixed charges ratio was the result of lower income before taxes and higher interest expense on our debt due to the $1 billion in debt that was issued in September 2007.

Table of Contents

Debt Covenant Compliance. Our debt agreements contain various covenants including limitations on additional indebtedness and the following leverage ratio:

		(Dollars in Millions)
	Total Debt per Balance Sheet	$ 2,068
	Other Debt	—
	Subtotal	2,068
	Rent x 8	3,987
A	Included Indebtedness	$ 6,055
	Net Worth	$ 7,853
	Investments (accounted for under equity method)	—
	Subtotal	7,853
	Included Indebtedness	6,055
B	Capitalization	$13,908
	Leverage Ratio (A/B)	0.44
	Maximum permitted Leverage Ratio	0.70

As of January 30, 2010, we were in compliance with all debt covenants and expect to remain in compliance during fiscal 2010.

Free Cash Flow. We generated free cash flow of $1.6 billion in 2009, more than double our 2008 free cash flow of $684 million. Free cash flow is a non-GAAP financial measure which we define as net cash provided by operating activities less capital expenditures. Free cash flow should be evaluated in addition to, and not considered a substitute for, other financial measures such as net income and cash flow provided by operations. We believe that free cash flow represents our ability to generate additional cash flow from our business operations.

The following table reconciles net cash provided by operating activities (a GAAP measure) to free cash flow (a non-GAAP measure).

	2009	2008	2007
		(In Millions)	
Net cash provided by operating activities	**$2,234**	$ 1,701	$ 1,235
Acquisition of property and equipment and favorable lease rights	**(666)**	(1,014)	(1,542)
Free cash flow	**$ 1,568**	$ 687	$ (307)

We expect to generate $800 to $900 million of free cash flow in fiscal 2010.

Table of Contents

Contractual Obligations

Our contractual obligations as of January 30, 2010 were as follows:

	Total	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
			(In Millions)		
Recorded contractual obligations:					
Long-term debt	$ 1,900	$ —	$ 400	$ —	$ 1,500
Capital leases	174	16	29	20	109
	2,074	16	429	20	1,609
Unrecorded contractual obligations:					
Interest payments:					
Long-term debt	1,738	123	211	194	1,210
Capital leases	103	12	21	18	52
Operating leases (a)	11,038	479	931	917	8,711
Royalties	255	58	105	74	18
Purchase obligations (b)	3,245	3,245	—	—	—
	16,379	3,917	1,268	1,203	9,991
Total	$ 18,453	$ 3,933	$1,697	$1,223	$ 11,600

(a) Our leases typically require that we pay real estate taxes, insurance and maintenance costs in addition to the minimum rental payments included in the table above. Such costs vary from period to period and totaled $157 million for 2009, $148 million for 2008 and $135 million for 2007.

(b) Our purchase obligations consist mainly of purchase orders for merchandise. Amounts committed under open purchase orders for merchandise are cancelable without penalty prior to a date that precedes the vendors' scheduled shipment date.

It is reasonably possible that our unrecognized tax positions may change within the next 12 months, primarily as a result of ongoing audits. While it is possible that one or more of these audits may be resolved in the next year, it is not anticipated that payment of any such amounts in future periods will affect liquidity and cash flows.

Off-Balance Sheet Arrangements

We have not provided any financial guarantees as of year-end 2009.

We have not created, and are not party to, any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business. We do not have any arrangements or relationships with entities that are not consolidated into the financial statements that are reasonably likely to materially affect our liquidity or the availability of capital resources.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts. A discussion of the more significant estimates follows. Management has discussed the development, selection and disclosure of these estimates and assumptions with the Audit Committee of our Board of Directors.

Retail Inventory Method and Inventory Valuation

We value our inventory at the lower of cost or market with cost determined on the first-in, first-out ("FIFO") basis using the retail inventory method ("RIM"). RIM is an averaging method that has been widely

used in the retail industry due to its practicality. Under RIM, the valuation of inventories at cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to the retail value of the inventories. The use of RIM will result in inventories being valued at the lower of cost or market as markdowns are currently taken as a reduction of the retail value of inventories.

Based on a review of historical clearance markdowns, current business trends, expected vendor funding and discontinued merchandise categories, an adjustment to inventory is recorded to reflect additional markdowns which are estimated to be necessary to liquidate existing clearance inventories and reduce inventories to the lower of cost or market. Management believes that our inventory valuation approximates the net realizable value of clearance inventory and results in carrying inventory at the lower of cost or market.

Vendor Allowances

We record vendor allowances and discounts in the income statement when the purpose for which those monies were designated is fulfilled. Allowances provided by vendors generally relate to profitability of inventory recently sold and, accordingly, are reflected as reductions to cost of merchandise sold as negotiated. Vendor allowances received for advertising or fixture programs reduce our expense or expenditure for the related advertising or fixture program when appropriate. Vendor allowances will fluctuate based on the amount of promotional and clearance markdowns necessary to liquidate the inventory. See also Note 1 to the consolidated financial statements, “Business and Summary of Accounting Policies.”

Insurance Reserve Estimates

We use a combination of insurance and self-insurance for a number of risks including workers’ compensation, general liability and employee-related health care benefits, a portion of which is paid by our associates. We use a third-party actuary, which considers historical claims experience, demographic factors, severity factors and other actuarial assumptions, to estimate the liabilities associated with these risks. A change in claims frequency and severity of claims from historical experience as well as changes in state statutes and the mix of states in which we operate could result in a change to the required reserve levels. We retain the initial risk of $500,000 per occurrence under our workers’ compensation insurance policy and $250,000 per occurrence under our general liability policy. We also have a lifetime medical payment limit of $1.5 million per plan participant.

Impairment of Assets and Closed Store Reserves

We have a significant investment in property and equipment and favorable lease rights. The related depreciation and amortization is computed using estimated useful lives of up to 50 years. We review our long-lived assets held for use (including favorable lease rights, goodwill and trademarks) for impairment whenever an event or change in circumstances, such as decisions to close a store, indicates the carrying value of the asset may not be recoverable. We have historically not experienced any significant impairment of long-lived assets or closed store reserves. Decisions to close a store can also result in accelerated depreciation over the revised useful life. When operations at a leased store are discontinued, a reserve is established for the discounted difference between the rent and the expected sublease rental income. A significant change in cash flows, market valuation, demand for real estate or other factors, could result in an increase or decrease in the reserve requirement or impairment charge.

Income Taxes

We pay income taxes based on tax statutes, regulations and case law of the various jurisdictions in which we operate. At any one time, multiple tax years are subject to audit by the various taxing authorities. Our effective income tax rate was 37.6% in 2009, 37.9% in 2008 and 37.8% in 2007. The effective rate is impacted by changes in law, location of new stores, level of earnings and the result of tax audits.

Operating Leases

As of January 30, 2010, we leased 686 of our 1,058 retail stores. Many lease agreements contain rent holidays, rent escalation clauses and/or contingent rent provisions. We recognize rent expense on a straight-line basis over the expected lease term, including cancelable option periods where failure to exercise such options would result in an economic penalty. We use a time period for our straight-line rent expense calculation that equals or exceeds the time period used for depreciation. In addition, the commencement date of the lease term is the earlier of the date when we become legally obligated for the rent payments or the date when we take possession of the building or land for initial setup of fixtures and merchandise or land improvements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

All of our long-term debt at year-end 2009 is at fixed interest rates and, therefore, is not affected by changes in interest rates. When our long-term debt instruments mature, we may refinance them at then existing market interest rates, which may be more or less than interest rates on the maturing debt.

Cash equivalents and long-term investments earn interest at variable rates and are affected by changes in interest rates. During 2009, average investments were $1.6 billion and average yield was 0.6%. If interest rates on the average 2009 variable rate cash equivalents and long-term investments increased by 100 basis points, our annual interest income would also increase by approximately $16 million assuming comparable investment levels.

We were not a party to any material derivative financial instruments in 2009, 2008 or 2007.

Item 8. Financial Statements and Supplementary Data

The financial statements are included in this report beginning on page F-3.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosures

None

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (the “Evaluation”) at a reasonable assurance level as of the last day of the period covered by this Report.

Based upon the Evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at the reasonable assurance level. Disclosure controls and procedures are defined by Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”) as controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions, regardless of how remote.

(b) Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of our published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management assessed the effectiveness of our internal control over financial reporting as of January 30, 2010. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control—Integrated Framework.* Based on our assessment, management believes that, as of January 30, 2010, our internal control over financial reporting is effective based on those criteria.

Ernst & Young LLP, an independent registered public accounting firm, has audited the Consolidated Financial Statements included in this Annual Report on Form 10-K and, as part of its audit, has issued an attestation report, included herein, on the effectiveness of our internal control over financial reporting.

(c) Changes in Internal Control Over Financial Reporting

During the last fiscal quarter, there were no changes in our internal controls that have materially affected or are reasonably likely to materially affect such controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Kohl's Corporation

We have audited Kohl's Corporation's internal control over financial reporting as of January 30, 2010, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Kohl's Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Kohl's Corporation maintained, in all material respects, effective internal control over financial reporting as of January 30, 2010 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Kohl's Corporation as of January 30, 2010 and January 31, 2009, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended January 30, 2010 and our report dated March 19, 2010 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Milwaukee, Wisconsin
March 19, 2010

Item 9B. Other Information

None

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

For information with respect to our Directors, the Board of Directors' Audit Committee and our written code of ethics, see the applicable portions of the "Questions and Answers About our Board of Directors and Corporate Governance Matters" and "Item 1: Election of Directors" sections of the Proxy Statement for our May 13, 2010 Annual Meeting of Shareholders ("our 2010 Proxy"), which information is incorporated herein by reference. For information with respect to Section 16 reports, see the information provided in the "Section 16(a) Beneficial Ownership Reporting Compliance" section of our 2010 Proxy, which information is incorporated herein by reference.

Our executive officers as of March 10, 2010 are as follows:

Name	Age	Position
Kevin Mansell	57	Chairman, Chief Executive Officer, President and Director
Don Brennan	49	Senior Executive Vice President
John Worthington	46	Senior Executive Vice President
Wesley S. McDonald	47	Executive Vice President—Chief Financial Officer

Mr. Mansell was promoted to Chairman in September 2009 and has served as Chief Executive Officer since August 2008 and President and Director since February 1999. He served as Executive Vice President—General Merchandise Manager from 1987 to 1998. Mr. Mansell joined Kohl's as a Divisional Merchandise Manager in 1982. Mr. Mansell began his retail career in 1975.

Mr. Brennan has served as Senior Executive Vice President since September 2007. He joined Kohl's in April 2001 as Executive Vice President, Merchandise Planning and Allocation, and also served as Executive Vice President, General Merchandise Manager Men's and Children's from April 2004 to September 2007. Prior to joining Kohl's, Mr. Brennan served in a variety of management positions with Burdines Department Stores, a division of Federated Department Stores, Inc. since 1982. Mr. Brennan has almost 30 years of experience in the retail industry.

Mr. Worthington has served as Senior Executive Vice President since September 2007. Prior to this assignment, Mr. Worthington has served in a variety of positions with Kohl's, including Executive Vice President, Director of Stores from 2005 to September 2007, Senior Vice President of Stores from 2004 to 2005 and Vice President, Regional Manager from 2002 to 2004. Mr. Worthington was with May Department Stores, Inc. before joining Kohl's and has over 20 years of experience in the retail industry.

Mr. McDonald has served as Executive Vice President, Chief Financial Officer since August 2003. Prior to joining Kohl's, Mr. McDonald was Vice President, Chief Financial Officer of Abercrombie & Fitch since June 2000. Mr. McDonald served in a variety of management positions with Target Corporation from 1988 to 2000, most recently as Director, Target Corporation IS Finance & Administration. Mr. McDonald has over 20 years of experience in the retail industry.

Table of Contents

Members of our Board of Directors as of March 10, 2010 were as follows:

Kevin Mansell
Chairman, President and Chief Executive Officer
Kohl's Corporation

Peter Boneparth [(a)(c)]
Senior Advisor,
Irving Capital Partners

Steven A. Burd [(b)(c)]
Chairman, President and Chief Executive Officer,
Safeway Inc.

John F. Herma [(a)(c)]
Former Chief Operating Officer and Secretary,
Kohl's Corporation

Dale E. Jones [(b)(c)]
Vice Chairman and Partner of the CEO and Board Practice in the Americas,
Heidrick and Struggles

William S. Kellogg
Former Chairman and Chief Executive Officer,
Kohl's Corporation

Frank V. Sica [(b)*(c)]
Managing Partner,
Tailwind Capital

Peter M. Sommerhauser
Shareholder,
Godfrey & Kahn, S.C. Law Firm

Stephanie A. Streeter [(a)(c)]
Former Chairman, President, and Chief Executive Officer,
Banta Corporation

Stephen E. Watson [(a)*(c)*]
Former President, Chief Executive Officer of Gander Mountain, L.L.C.
Former Chairman and Chief Executive Officer, Department Store Division of Dayton-Hudson Corporation

(a) 2009 Audit Committee member
(b) 2009 Compensation Committee member
(c) 2009 Governance & Nominating Committee member
* Denotes Chair

Item 11. Executive Compensation

See the information provided in the applicable portions of the "Questions and Answers About our Board of Directors and Corporate Governance Matters" and "Item 1: Election of Directors" sections of our 2010 Proxy, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

See the information provided in the "Security Ownership of Certain Beneficial Owners, Directors and Management" and "Equity Compensation Plan Information" sections of our 2010 Proxy, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

See the information provided in the "Independence Determinations & Related Party Transactions" section of our 2010 Proxy, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

See the information provided in the "Fees Paid to Ernst & Young" section of our 2010 Proxy, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

1. Consolidated Financial Statements:

See “Index to Consolidated Financial Statements” on page F-1, the Report of Independent Registered Public Accounting Firm on page F-2 and the Consolidated Financial Statements beginning on page F-3, all of which are incorporated herein by reference.

2. Financial Statement Schedule:

All schedules have been omitted as they are not applicable.

3. Exhibits:

See “Exhibit Index” of this Form 10-K, which is incorporated herein by reference.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on our behalf by the undersigned, thereunto duly authorized.

Kohl's Corporation

By: /s/ KEVIN MANSELL
Kevin Mansell
Chairman, President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ WESLEY S. MCDONALD
Wesley S. McDonald
Executive Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

Dated: March 18, 2010

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

/s/ KEVIN MANSELL
Kevin Mansell
Chairman, President, Chief Executive Officer and Director
(Principal Executive Officer)

/s/ PETER BONEPARTH
Peter Boneparth
Director

/s/ STEVEN A. BURD
Steven A. Burd
Director

/s/ JOHN F. HERMA
John F. Herma
Director

/s/ DALE E. JONES
Dale E. Jones
Director

/s/ FRANK SICA
Frank Sica
Director

/s/ PETER M. SOMMERHAUSER
Peter M. Sommerhauser
Director

/s/ STEPHANIE A. STREETER
Stephanie A. Streeter
Director

/s/ STEPHEN E. WATSON
Stephen E. Watson
Director

/s/ WILLIAM S. KELLOGG
William S. Kellogg
Director

Table of Contents

Exhibit Index

Exhibit Number	Description
3.1	Articles of Incorporation of the Company, incorporated herein by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 1999.
3.2	Amendment to Articles of Incorporation of the Company, incorporated herein by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended April 29, 2006.
3.3	Amendment to Articles of Incorporation of the Company, incorporated herein by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 5, 2007.
3.4	Amended and Restated Bylaws of the Company, incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed on February 27, 2009.
4.1	Credit Agreement dated as of October 12, 2006 by and among the Company, the Lenders party thereto, Bank of America, N.A., as an Issuing Bank and Syndication Agent, JPMorgan Chase Bank, N.A., US Bank National Association and Wachovia Bank National Association, as Co-Documentation Agents and The Bank of New York, as an Issuing Bank, the Swing Line Lender and the Administrative Agent, incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 28, 2006.
4.2	Certain other long-term debt is described in Note 3 of the Notes to Consolidated Financial Statements. The Company agrees to furnish to the Commission, upon request, copies of any instruments defining the rights of holders of any such long-term debt described in Note 3 and not filed herewith.
10.1	Private Label Credit Card Program Agreement dated as of March 5, 2006, by and between Kohl's Department Stores, Inc., and Chase Bank USA, National Association, incorporated herein by reference to Exhibit 10.2 of the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2006.
10.2.	Amended and Restated Executive Deferred Compensation Plan, incorporated herein by reference to Exhibit 10.1 of the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2003.*
10.3.	Kohl's Corporation 2005 Deferred Compensation Plan, as amended and restated effective January 1, 2005, incorporated herein by reference to Exhibit 10.4 of the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2006.*
10.4.	Summary of Executive Medical Plan, incorporated herein by reference to Exhibit 10.6 of the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.*
10.5.	Summary of Executive Life and Accidental Death and Dismemberment Plans, incorporated herein by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.*
10.6.	Kohl's Corporation Executive Bonus Plan, incorporated herein by reference to the Company's Schedule 14A (File No. 001-11084) filed on March 27, 2007.*
10.7.	1992 Long Term Compensation Plan, incorporated herein by reference to Exhibit 10.13 of the Company's registration statement on Form S-1 (File No. 33-46883).*
10.8.	1994 Long-Term Compensation Plan, incorporated herein by reference to Exhibit 10.15 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 4, 1996.*

Table of Contents

Exhibit Number	Description
10.9.	1997 Stock Option Plan for Outside Directors, incorporated herein by reference to Exhibit 4.4 of the Company's registration statement on Form S-8 (File No. 333-26409), filed on May 2, 1997.*
10.10.	Amended and Restated 2003 Long-Term Compensation Plan, incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 2, 2008.*
10.11.	Form of Restricted Stock Agreement, incorporated herein by reference to Exhibit 10.31 of the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.*
10.12.	Form of Executive Stock Option Award, incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated February 23, 2005. *
10.13.	Form of Outside Director Stock Option Award, incorporated herein by reference to Exhibit 10.14 of the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2005.*
10.14.	Summary of Outside Director Compensation.*
10.15.	Employment Agreement between the Company and R. Lawrence Montgomery, incorporated herein by reference to Exhibit 10.4 of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1998.*
10.16.	First Amendment to Employment Agreement between the Company and Mr. Montgomery, dated November 15, 2000, incorporated herein by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2001.*
10.17.	Second Amendment to Employment Agreement between the Company and Mr. Montgomery, dated January 31, 2004, incorporated herein by reference to Exhibit 10.24 of the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2004.*
10.18.	Third Amendment to Employment Agreement between the Company and Mr. Montgomery, dated August 20, 2008, incorporated herein by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 2, 2008.*
10.19.	Amendment to Employment Agreement between the Company and Mr. Montgomery, dated November 17, 2008, incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K filed on November 19, 2008.*
10.20.	Noncompetition and Consulting Agreement between Kohl's Corporation and Kohl's Department Stores, Inc. and R. Lawrence Montgomery dated as of September 1, 2009, incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K dated August 26, 2009.*
10.21.	Amended and Restated Employment Agreement between Kohl's Corporation and Kohl's Department Stores, Inc. and Kevin Mansell dated as of September 1, 2009, incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K dated August 26, 2009.*
10.22.	Amended and Restated Employment Agreement between Kohl's Corporation and Kohl's Department Stores, Inc. and Donald Brennan dated as of September 1, 2009, incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K dated August 26, 2009.*
10.23.	Amended and Restated Employment Agreement between Kohl's Corporation and Kohl's Department Stores, Inc. and John Worthington dated as of September 1, 2009, incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K dated August 26, 2009.*
10.24.	Form of Executive Compensation Agreement between the Company and various key executives, including Wesley McDonald, incorporated herein by reference to Exhibit 10.31 of the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2007.*

Exhibit Number	Description
10.25.	Summary of Strategic Action Committee Incentive Program.*
12.1	Ratio of Earnings to Fixed Charges.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Ernst & Young LLP.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* A management contract or compensatory plan or arrangement.

Table of Contents

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets	F-3
Consolidated Statements of Income	F-4
Consolidated Statements of Changes in Shareholders' Equity	F-5
Consolidated Statements of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7

Schedules have been omitted as they are not applicable.

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of
Kohl's Corporation

We have audited the accompanying consolidated balance sheets of Kohl's Corporation (the Company) as of January 30, 2010 and January 31, 2009, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended January 30, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kohl's Corporation at January 30, 2010 and January 31, 2009, and the consolidated results of its operations and its cash flows for each of the three years in the period ended January 30, 2010, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Kohl's Corporation's internal control over financial reporting as of January 30, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 19, 2010, expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

Milwaukee, Wisconsin
March 19, 2010

KOHL'S CORPORATION

CONSOLIDATED BALANCE SHEETS
(Dollars In Millions, Except Per Share Data)

	January 30, 2010	January 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 2,267**	$ 643
Merchandise inventories	**2,923**	2,799
Deferred income taxes	**73**	74
Other	**222**	212
Total current assets	**5,485**	3,728
Property and equipment, net	**7,018**	6,984
Long-term investments	**321**	333
Favorable lease rights, net	**204**	201
Other assets	**132**	117
Total assets	**$ 13,160**	$ 11,363
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 1,188**	$ 881
Accrued liabilities	**1,002**	841
Income taxes payable	**184**	105
Current portion of capital leases	**16**	17
Total current liabilities	**2,390**	1,844
Long-term debt and capital leases	**2,052**	2,053
Deferred income taxes	**377**	320
Other long-term liabilities	**488**	407
Shareholders' equity:		
Common stock—$0.01 par value, 800 million shares authorized, 353 million and 351 million shares issued	**4**	4
Paid-in capital	**2,085**	1,971
Treasury stock, at cost, 46 million shares	**(2,639)**	(2,638)
Accumulated other comprehensive loss	**(36)**	(46)
Retained earnings	**8,439**	7,448
Total shareholders' equity	**7,853**	6,739
Total liabilities and shareholders' equity	**$ 13,160**	$ 11,363

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Per Share Data)

	2009	2008	2007
Net sales	**$17,178**	$16,389	$16,474
Cost of merchandise sold (exclusive of depreciation shown separately below)	**10,680**	10,334	10,460
Gross margin	**6,498**	6,055	6,014
Operating expenses:			
Selling, general, and administrative	**4,144**	3,936	3,697
Depreciation and amortization	**590**	541	452
Preopening expenses	**52**	42	61
Operating income	**1,712**	1,536	1,804
Other expense (income):			
Interest expense	**134**	132	82
Interest income	**(10)**	(21)	(20)
Income before income taxes	**1,588**	1,425	1,742
Provision for income taxes	**597**	540	658
Net income	**$ 991**	$ 885	$ 1,084
Net income per share:			
Basic	**$ 3.25**	$ 2.89	$ 3.41
Diluted	**$ 3.23**	$ 2.89	$ 3.39

See accompanying Notes to Consolidated Financial Statements

Table of Contents

KOHL'S CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Millions)

	Common Stock						
	Shares	Amount	Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Gain (Loss)	Retained Earnings	Total
Balance at February 3, 2007	349	3	1,749	(1,628)	—	5,479	5,603
Net income and comprehensive income	—	—	—	—	—	1,084	1,084
Exercise of stock options	2	1	97	—	—	—	98
Net income tax impact from stock option activity	—	—	6	—	—	—	6
Share-based compensation expense	—	—	59	—	—	—	59
Treasury stock purchases	—	—	—	(748)	—	—	(748)
Balance at February 2, 2008	351	4	1,911	(2,376)	—	6,563	6,102
Net income	—	—	—	—	—	885	885
Other comprehensive loss:							
Unrealized loss on investments, net of tax of $29	—	—	—	—	(46)	—	(46)
Total comprehensive income							839
Exercise of stock options	—	—	5	—	—	—	5
Net income tax impact from stock option activity	—	—	(6)	—	—	—	(6)
Share-based compensation expense	—	—	61	—	—	—	61
Treasury stock purchases	—	—	—	(262)	—	—	(262)
Balance at January 31, 2009	**351**	**4**	**1,971**	**(2,638)**	**(46)**	**7,448**	**6,739**
Net income	**—**	**—**	**—**	**—**	**—**	**991**	**991**
Other comprehensive income:							
Unrealized gain on investments, net of tax of $6	**—**	**—**	**—**	**—**	**10**	**—**	**10**
Total comprehensive income							**1,001**
Exercise of stock options	**2**	**—**	**51**	**—**	**—**	**—**	**51**
Net income tax impact from stock option activity	**—**	**—**	**(6)**	**—**	**—**	**—**	**(6)**
Share-based compensation expense	**—**	**—**	**69**	**—**	**—**	**—**	**69**
Treasury stock purchases	**—**	**—**	**—**	**(1)**	**—**	**—**	**(1)**
Balance at January 30, 2010	**353**	**$ 4**	**$ 2,085**	**$ (2,639)**	**$ (36)**	**$ 8,439**	**$ 7,853**

See accompanying Notes to Consolidated Financial Statements

Table of Contents

KOHL'S CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	2009	2008	2007
Operating activities			
Net income	**$ 991**	$ 885	$ 1,084
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization, including debt discount and deferred financing fees	**591**	543	453
Share-based compensation expense	**64**	55	54
Excess tax benefits from share-based compensation expense	**3**	—	(6)
Deferred income taxes	**52**	84	(12)
Other non-cash revenues and expenses	**51**	47	34
Changes in operating assets and liabilities:			
Merchandise inventories	**(119)**	60	(275)
Other current and long-term assets	**(13)**	(40)	(78)
Accounts payable	**306**	48	(98)
Accrued and other long-term liabilities	**234**	42	152
Income taxes	**74**	(26)	(103)
Net cash provided by operating activities	**2,234**	1,698	1,205
Investing activities			
Acquisition of property and equipment and favorable lease rights	**(666)**	(1,014)	(1,542)
Purchases of investments in auction rate securities	—	(53)	(6,521)
Sales of investments in auction rate securities	**28**	93	6,441
Other	**(2)**	11	26
Net cash used in investing activities	**(640)**	(963)	(1,596)
Financing activities			
Treasury stock purchases	**(1)**	(262)	(748)
Capital lease payments	**(17)**	(16)	(20)
Proceeds from issuance of debt, net of deferred financing costs	—	—	989
Proceeds from stock option exercises	**51**	5	98
Excess tax benefits from share-based compensation expense	**(3)**	—	6
Net cash provided by (used in) financing activities	**30**	(273)	325
Net change in cash and cash equivalents	**1,624**	462	(66)
Cash and cash equivalents at beginning of year	**643**	181	247
Cash and cash equivalents at end of year	**$2,267**	$ 643	$ 181

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Summary of Accounting Policies

Business

As of January 30, 2010, Kohl's Corporation operated 1,058 family-oriented department stores that feature exclusive and national brand apparel, footwear, accessories, soft home products and housewares targeted to middle-income customers. Our stores are located in 49 states.

Our authorized capital stock consists of 800 million shares of $0.01 par value common stock and 10 million shares of $0.01 par value preferred stock.

Consolidation

The consolidated financial statements include the accounts of Kohl's Corporation and its subsidiaries including Kohl's Department Stores, Inc., its primary operating company. All intercompany accounts and transactions have been eliminated.

Accounting Period

Our fiscal year ends on the Saturday closest to January 31. Unless otherwise noted, references to years in this report relate to fiscal years, rather than to calendar years. Fiscal year 2009 ("2009") ended on January 30, 2010. Fiscal year 2008 ("2008") ended on January 31, 2009. Fiscal year 2007 ("2007") ended on February 2, 2008. Fiscal 2009, 2008 and 2007 were 52-week years.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior period Consolidated Balance Sheets and Statements of Cash Flows to conform to the 2009 presentation.

Cash and Cash Equivalents

In addition to money market investments, cash equivalents include commercial paper with an original maturity of three months or less. We carry these investments at cost which approximates fair value.

Also included in cash and cash equivalents are amounts due from credit card transactions with settlement terms of less than five days. Credit and debit card receivables included within cash were $68 million at January 30, 2010 and $71 million at January 31, 2009.

Long-term Investments

Long-term investments consist primarily of investments in auction rate securities ("ARS") which are classified as available-for-sale securities and recorded at market.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

1. Business and Summary of Accounting Policies (continued)

Merchandise Inventories

Merchandise inventories are valued at the lower of cost or market with cost determined on the first-in, first-out ("FIFO") basis using the retail inventory method ("RIM"). Under RIM, the valuation of inventory at cost and the resulting gross margins are calculated by applying a cost-to-retail ratio to the retail value inventory. RIM is an averaging method that has been widely used in the retail industry due to its practicality. The use of RIM will result in inventory being valued at the lower of cost or market since permanent markdowns are currently taken as a reduction of the retail value of inventory. We record an additional reserve when the future estimated selling price is less than cost.

Property and Equipment

Property and equipment consist of the following:

	Jan. 30, 2010	Jan. 31, 2009
	(In Millions)	
Land	**$ 1,040**	$ 997
Buildings and improvements	**5,887**	5,490
Store fixtures and equipment	**2,169**	2,135
Property under capital leases	**242**	233
Construction in progress	**138**	257
Capitalized software	**395**	337
Total property and equipment	**9,871**	9,449
Less accumulated depreciation	**(2,853)**	(2,465)
	$ 7,018	$ 6,984

Construction in progress includes land and improvements for locations not yet opened and for the expansion and remodeling of existing locations in process at the end of each year.

Property and equipment is recorded at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Property rights under capital leases and improvements to leased property are amortized on a straight-line basis over the term of the lease or useful life of the asset, whichever is less. Depreciation and amortization expense for property and equipment, including property under capital leases and capitalized software, totaled $580 million for 2009, $528 million for 2008 and $441 million for 2007.

The annual provisions for depreciation and amortization generally use the following ranges of useful lives:

Buildings and improvements	8-40 years
Store fixtures and equipment	3-15 years
Property under capital leases	5-40 years
Computer hardware and software	3-8 years

Property and equipment acquired through capital leases totaled $14 million for 2009, $18 million for 2008 and $29 million for 2007.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

1. Business and Summary of Accounting Policies (continued)

Capitalized Interest

We capitalize interest on the acquisition and construction of new locations and expansion of existing locations and depreciate that amount over the lives of the related assets. Capitalized interest was $5 million for 2009, $8 million for 2008 and $16 million for 2007.

Favorable Lease Rights

Favorable lease rights are generally amortized on a straight-line basis over the remaining base lease term plus certain options with a maximum of 50 years. Amortization begins when the respective stores are opened. Accumulated amortization was $119 million at January 30, 2010 and $108 million at January 31, 2009. Amortization expense was $10 million for 2009, $13 million for 2008 and $12 million for 2007. Amortization expense for current favorable lease rights is estimated to be $11 million per year for each of the next three years and $10 million per year for 2013 and 2014.

Long-Lived Assets

All property and equipment and other long-lived assets (including favorable lease rights, trademarks and goodwill) are reviewed when events or changes in circumstances indicate that the asset's carrying value may not be recoverable. If such indicators are present, it is determined whether the sum of the estimated undiscounted future cash flows attributable to such assets is less than their carrying amounts. No material impairments were recorded in 2009, 2008, or 2007 as a result of the tests performed.

Accrued Liabilities

Accrued liabilities consist of the following:

	Jan. 30, 2010	Jan. 31, 2009
	(In Millions)	
Various liabilities to customers	**$ 221**	$ 200
Payroll and related fringe benefits	**201**	94
Sales, property and use taxes	**156**	131
Due to JPMorgan Chase	**121**	85
Accrued construction costs	**76**	116
Accrued interest	**22**	22
Other	**205**	193
	$1,002	$ 841

The various liabilities to customers include gift cards and merchandise return cards that have been issued but not presented for redemption.

Self-Insurance

We use a combination of insurance and self-insurance for a number of risks including workers' compensation, general liability and employee-related health care benefits, a portion of which is paid by our associates. Liabilities associated with these losses include estimates of both reported losses and losses incurred

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

1. Business and Summary of Accounting Policies (continued)

but not yet reported. We use a third-party actuary, which considers historical claims experience, demographic factors, severity factors and other actuarial assumptions, to estimate the liabilities associated with these risks. We retain the initial risk of $500,000 per occurrence under our workers' compensation insurance policy and $250,000 per occurrence under our general liability policy. We also have a lifetime medical payment limit of $1.5 million per plan participant. Total estimated liabilities for workers' compensation, general liability and employee-related health benefits, excluding administrative expenses and before pre-funding, were approximately $85 million at January 30, 2010 and $81 million at January 31, 2009. Although these amounts are actuarially determined based on analysis of historical trends, the amounts that we will ultimately disburse could differ from these estimates.

Long-term Liabilities

Other long-term liabilities consist of the following:

	Jan. 30, 2010	Jan. 31, 2009
	(In Millions)	
Property-related liabilities	**$ 311**	$ 250
Unrecognized tax benefits, including accrued interest and penalties	**114**	115
Deferred compensation	**35**	29
Other	**28**	13
	$ 488	$ 407

Treasury Stock

We account for repurchases of common stock using the cost method with common stock in treasury classified in the Consolidated Balance Sheets as a reduction of shareholders' equity.

Revenue Recognition

Revenue from the sale of merchandise at our stores is recognized at the time of sale, net of any returns. E-commerce sales are recorded based on estimated receipt of merchandise by the customer. Net sales do not include sales tax as we are considered a pass-through conduit for collecting and remitting sales taxes.

Revenue from gift card sales is recognized when the gift card is redeemed. Gift card breakage revenue is based on historical redemption patterns and represents the balance of gift cards for which we believe the likelihood of redemption by a customer is remote.

Table of Contents

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

1. Business and Summary of Accounting Policies (continued)

Cost of Merchandise Sold and Selling, General and Administrative Expenses

The following table illustrates the primary costs classified in Cost of Merchandise Sold and Selling, General and Administrative Expenses:

Cost of Merchandise Sold	Selling, General and Administrative Expenses
• Total cost of products sold including product development costs, net of vendor payments other than reimbursement of specific, incremental and identifiable costs	• Compensation and benefit costs including: • Stores • Corporate headquarters, including buying and merchandising • Distribution centers
• Inventory shrink	• Occupancy and operating costs of our retail, distribution and corporate facilities
• Markdowns	• Net revenues from the Kohl's credit card agreement with JPMorgan Chase
• Freight expenses associated with moving merchandise from our vendors to our distribution centers	• Freight expenses associated with moving merchandise from our distribution centers to our retail stores, and among distribution and retail facilities
• Shipping and handling expenses of e-commerce sales	• Advertising expenses, offset by vendor payments for reimbursement of specific, incremental and identifiable costs
• Terms cash discount	• Other administrative costs

The classification of these expenses varies across the retail industry.

Vendor Allowances

We receive consideration for a variety of vendor-sponsored programs, such as markdown allowances, volume rebates and promotion and advertising support. The vendor consideration is recorded either as a reduction of inventory costs or Selling, General and Administrative ("SG&A") expenses based on the application of Accounting Standards Codification ("ASC") No. 605, Subtopic 50, "Customer Payments and Incentives." Promotional and advertising allowances are intended to offset our advertising costs to promote vendors' merchandise. Markdown allowances and volume rebates are recorded as a reduction of inventory costs.

Advertising

Advertising costs, which include primarily television and radio broadcast, direct mail, and newspaper circulars, are expensed when the advertisement is first seen. Advertising costs, net of related vendor allowances, were as follows:

	2009	2008	2007
		(In Millions)	
Gross advertising costs	**$ 988**	$1,037	$981
Vendor allowances	**142**	147	142
Net advertising costs	**$ 846**	$ 890	$ 839

Table of Contents

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

1. Business and Summary of Accounting Policies (continued)

Preopening Costs

Preopening expenses relate to the costs associated with new store openings, including advertising, hiring and training costs for new employees, processing and transporting initial merchandise and rent expense. Preopening costs are expensed as incurred.

Income Taxes

Income taxes are accounted for under the asset and liability method. Under this method, deferred tax assets and liabilities are recorded based on differences between the amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for income tax purposes. Deferred tax assets and liabilities are calculated using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. We establish valuation allowances for deferred tax assets when we believe it is more likely than not that the asset will not be realizable for tax purposes.

We recognize interest and penalty expense related to unrecognized tax benefits in our provision for income tax expense.

Net Income Per Share

Basic net income per share is net income divided by the average number of common shares outstanding during the period. Diluted net income per share includes incremental shares assumed to be issued upon exercise of stock options.

The information required to compute basic and diluted net income per share is as follows:

	2009	2008	2007
	(In Millions except per share data)		
Numerator—net income	**$ 991**	$ 885	$ 1,084
Denominator—weighted average shares			
Basic	**305**	306	318
Impact of dilutive employee stock options (a)	**1**	1	2
Diluted	**306**	307	320
Net income per share:			
Basic	**$ 3.25**	$ 2.89	$ 3.41
Diluted	**$ 3.23**	$ 2.89	$ 3.39

(a) Excludes 17 million options for 2009, 18 million options for 2008 and 9 million options for 2007 as the impact of such options was antidilutive.

Stock Options

Stock-based compensation expense, including stock options and nonvested stock awards, is recognized on a straight-line basis over the vesting period based on the fair value of awards which are expected to vest. The fair value of all share-based awards is estimated on the date of grant.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2. Long-term Investments

As of January 30, 2010, the par value of our long-term investments was $380 million and the estimated fair value was $321 million. Our auction rate securities ("ARS") portfolio consists entirely of highly-rated, insured student loan backed securities. Substantially all of the principal and interest is insured by the federal government and the remainder is insured by highly-rated insurance companies. Approximately $224 million of our ARS (at fair value) are rated "AAA" by Moody's, Standard & Poor's and/or Fitch Ratings.

Beginning in February 2008, liquidity issues in the global credit markets resulted in the failure of auctions for all of our ARS. A "failed" auction occurs when the amount of securities submitted for sale in the auction exceeds the amount of purchase bids. As a result, holders are unable to liquidate their investment through the auction. A failed auction is not a default of the debt instrument, but does set a new interest rate in accordance with the terms of the debt instrument. A failed auction limits liquidity for holders until there is a successful auction or until such time as another market for ARS develops. ARS are generally callable by the issuer at any time. Scheduled auctions continue to be held until the ARS matures or is called.

To date, we have collected all interest payable on outstanding ARS when due and expect to continue to do so in the future. At this time, we have no reason to believe that any of the underlying issuers of our ARS or their insurers are presently at risk or that the reduced liquidity has had a significant impact on the underlying credit quality of the assets backing our ARS. While the auction failures limit our ability to liquidate these investments, we do not believe these failures will have any significant impact on our ability to fund ongoing operations and growth initiatives.

We intend to hold these ARS until maturity or until we can liquidate them at par value. Based on our other sources of liquidity, we do not believe we will be required to sell them before recovery of par value. Therefore, impairment charges are considered temporary and have been included in Accumulated Other Comprehensive Loss within our Consolidated Balance Sheets at January 30, 2010 and January 31, 2009. In certain cases, holding the investments until recovery may mean until maturity, which ranges from 2015 to 2056. The weighted-average maturity date is 2036. As a result of the persistent failed auctions and the uncertainty of when these investments could be successfully liquidated at par, we have recorded all of our ARS as Long-term Investments within the Consolidated Balance Sheet.

ASC No. 820, "Fair Value Measurements and Disclosures," requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.

Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques.

The fair value for our ARS is based on third-party pricing models and is classified as a Level 3 pricing category. We utilized a discounted cash flow model to estimate the current fair market value for each of the

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2. Long-term Investments (continued)

securities we owned as there was no recent activity in the secondary markets in these types of securities. This model used unique inputs for each security including discount rate, interest rate currently being paid and maturity. The discount rate was calculated using the closest match available for other insured asset backed securities. A market failure scenario was employed as recent successful auctions of these securities were very limited.

The following table presents a rollforward of our long-term ARS, all of which are measured at fair value on a recurring basis using unobservable inputs (Level 3):

	2009	2008
	(In Millions)	
Balance at beginning of year	**$332**	$—
Transfers into Level 3	—	424
Sales (at par)	**(28)**	(17)
Unrealized gains / (losses)	**16**	(75)
Balance at end of year	**$320**	$ 332

Unrealized gains / (losses) are reported net of deferred taxes of $6 million at January 30, 2010 and $29 million at January 31, 2009 as a component of Accumulated Other Comprehensive Gain (Loss) in the Consolidated Statement of Shareholders' Equity.

3. Debt

Long-term debt consists of the following:

Maturing	Rate	Jan. 30, 2010	Jan. 31, 2009
		($ in Millions)	
Non-callable and unsecured senior debt:			
2011	**6.59%**	**$ 400**	$ 400
2017	**6.31%**	**650**	650
2029	**7.36%**	**200**	200
2033	**6.05%**	**300**	300
2037	**6.89%**	**350**	350
Total senior debt	**6.55%**	**1,900**	1,900
Capital lease obligations		**174**	177
Unamortized debt discount		**(6)**	(7)
Less current portion		**(16)**	(17)
Long-term debt and capital leases		**$2,052**	$2,053

Based on quoted market prices (Level 1 per ASC No. 820, "Fair Value Measurements and Disclosures"), the estimated fair value of our senior debt was approximately $2.1 billion at January 30, 2010 and $1.6 billion at January 31, 2009.

We have various facilities upon which we may draw funds, including a $900 million senior unsecured revolving facility and two demand notes with aggregate availability of $50 million. Depending on the type of advance under these facilities, amounts borrowed bear interest at competitive bid rates; LIBOR plus a margin, depending on our long-term unsecured debt ratings; or the agent bank's base rate. The $900 million revolving

3. Debt (continued)

facility expires in October 2011. The co-leads of this facility, The Bank of New York Mellon and Bank of America, have each committed $100 million. The remaining 12 lenders have each committed between $30 and $130 million. There were no draws on these facilities during 2009. Weighted-average borrowings under these facilities were $40 million during 2008.

Our debt agreements contain various covenants including limitations on additional indebtedness and certain financial tests. As of January 30, 2010, we were in compliance with all covenants of the debt agreements.

We also have outstanding trade letters of credit and stand-by letters of credit totaling approximately $37 million at January 30, 2010, issued under uncommitted lines with two banks.

Interest payments, net of amounts capitalized, were $133 million for 2009, $145 million for 2008 and $59 million for 2007.

4. Commitments

We lease certain property and equipment. Rent expense is recognized on a straight-line basis over the expected lease term. The lease term begins on the date we become legally obligated for the rent payments or we take possession of the building or land for initial setup of fixtures and merchandise or land improvements, whichever is earlier. The lease term includes cancelable option periods where failure to exercise such options would result in an economic penalty. Failure to exercise such options would result in the recognition of accelerated depreciation expense of the related assets.

Rent expense charged to operations was $498 million for 2009, $448 million for 2008 and $417 million for 2007. Rent expense includes contingent rents, which are based on sales, of $2 million for 2009, $3 million for 2008 and $4 million for 2007. In addition, we are often required to pay real estate taxes, insurance and maintenance costs. These items are not included in the rent expenses listed above. Many store leases include multiple renewal options, exercisable at our option, that generally range from two additional five-year periods to eight ten-year periods.

Assets held under capital leases are included in property and equipment and depreciated over the term of the lease. Assets under capital leases consist of the following:

	Jan. 30, 2010	Jan. 31, 2009
	(In Millions)	
Buildings and improvements	**$ 214**	$ 209
Equipment	**27**	24
Less accumulated depreciation	**(89)**	(74)
	$ 152	$ 159

Depreciation expense related to capital leases totaled $21 million for 2009, $19 million for 2008 and $14 million for 2007.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

4. Commitments (continued)

Future minimum lease payments at January 30, 2010, are as follows:

	Capital Leases	Operating Leases
	(In Millions)	
Fiscal Year:		
2010	$ 28	$ 479
2011	27	470
2012	24	461
2013	20	457
2014	18	460
Thereafter	160	8,711
	277	$11,038
Less amount representing interest	103	
Present value of lease payments	$ 174	

5. Benefit Plans

We have an Employee Stock Ownership Plan ("ESOP") for the benefit of our non-management associates. Contributions are made at the discretion of the Board of Directors. ESOP expenses totaled $17 million for 2009, $8 million for 2008 and $19 million for 2007. Shares of our stock held by the ESOP are included as shares outstanding for purposes of the net income per share computations.

We also have a defined contribution savings plan covering all full-time and certain part-time associates. Participants in this plan may invest up to 25% of their base compensation, subject to certain statutory limits. Through 2009, we matched 100% of the first 3% of each participant's contribution. We also make defined annual contributions for all qualifying associates based on a percentage of qualifying payroll earnings. Defined contribution plan expense, net of forfeitures, was $37 million for 2009, $30 million for 2008 and $25 million for 2007.

We also offer a non-qualified deferred compensation plan to a group of executives which provides for pre-tax compensation deferrals up to 100% of salary and/or bonus. Deferrals and credited investment returns are 100% vested. The expense for 2009, 2008, and 2007 was immaterial.

6. Income Taxes

Deferred income taxes consist of the following:

	Jan. 30, 2010	Jan. 31, 2009
	(In Millions)	
Deferred tax liabilities:		
Property and equipment	**$ 653**	$ 560
Deferred tax assets:		
Merchandise inventories	**36**	38
Accrued and other liabilities, including stock options	**190**	166
Accrued step rent liability	**100**	81
Unrealized loss on auction rate securities	**23**	29
	349	314
	$ 304	$ 246

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Income Taxes (continued)

The components of the provision for income taxes are as follows:

	2009	2008	2007
		(In Millions)	
Current federal	**$480**	$411	$ 604
Current state	**59**	45	66
Deferred federal	**53**	76	(11)
Deferred state	**5**	8	(1)
	$597	$540	$658
Amounts paid for income taxes	**$470**	$471	$ 709

The provision for income taxes differs from the amount that would be provided by applying the statutory U.S. corporate tax rate due to the following items:

	2009	2008	2007
Provision at statutory rate	**35.0%**	35.0%	35.0%
State income taxes, net of federal tax benefit	**2.9**	3.1	3.2
Tax-exempt interest income	**(0.3)**	(0.2)	(0.4)
Provision for income taxes	**37.6%**	37.9%	37.8%

We have analyzed filing positions in all of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. The only federal returns subject to examination are for the 2003 through 2009 tax years. State returns subject to examination are generally for the 2003 through 2009 tax years. Certain states have proposed adjustments which we are currently appealing. If we do not prevail on our appeals, we do not anticipate that the adjustments would result in a material change in our financial position.

A reconciliation of the beginning and ending gross amount of unrecognized tax benefits is as follows:

	2009	2008
	(In Millions)	
Balance at beginning of year	**$ 92**	$ 81
Increases due to:		
Tax positions taken in prior years	**5**	—
Tax positions taken in current year	**20**	16
Decreases due to:		
Tax positions taken in prior years	**(8)**	(4)
Settlements with taxing authorities	**(13)**	(1)
Lapse of applicable statute of limitations	**(7)**	—
Balance at end of year	**$ 89**	$ 92

Not included in the unrecognized tax benefits reconciliation above are gross unrecognized accrued interest and penalties of $25 million at January 30, 2010 and $23 million at January 31, 2009. Interest and penalty expense was $4 million for 2009 and $6 million for 2008.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

6. Income Taxes (continued)

Our total unrecognized tax benefits that, if recognized, would affect our effective tax rate were $59 million as of January 30, 2010 and $60 million as of January 31, 2009.

It is reasonably possible that our unrecognized tax positions may change within the next 12 months, primarily as a result of ongoing audits. While it is possible that one or more of these examinations may be resolved in the next year, it is not anticipated that a significant impact to the unrecognized tax benefit balance will occur.

7. Stock-Based Compensation

We currently grant share-based compensation pursuant to our 1997 Stock Option Plan for Outside Directors and our 2003 Long-Term Compensation Plan, which provides for the granting of various forms of equity-based awards, including nonvested stock and options to purchase shares of our common stock, to officers and key employees. Annual grants of stock options and nonvested stock are made in the first quarter of the subsequent fiscal year. Grants to newly-hired and promoted employees and other discretionary grants are made periodically throughout the remainder of the year. We also have outstanding options which were granted to officers and key employees under our 1992 and 1994 Long-Term Compensation Plans.

The following table summarizes the number of options and nonvested stock authorized and available for grant as of January 30, 2010:

	1997 Plan	2003 Plan	Total
		(In Thousands)	
Options and nonvested stock:			
Authorized	400	31,000	31,400
Available for grant	105	14,632	14,737

Options and nonvested stock that are surrendered or terminated without issuance of shares are available for future grants.

Stock options

The majority of stock options granted to employees prior to 2009 vest in four equal annual installments. Remaining stock options vest in five to seven equal annual installments. Outside directors' stock options are typically granted upon a director's election or re-election to our Board of Directors and vest over the term to which the director was elected, generally one year. Options granted to employees after 2005 have a term of seven years. Outstanding options granted to employees prior to 2006 have a term of up to 15 years. Options granted to directors have a term of 10 years.

All stock options have an exercise price equal to the fair market value of the common stock on the date of grant. The fair value of each option award is estimated using a Black-Scholes option valuation model and the following assumptions:

	2009	2008	2007
Dividend yield	**0%**	0%	0%
Volatility	**42.8%**	36.6%	30.4%
Risk-free interest rate	**1.8%**	2.5%	4.7%
Expected life in years	**5.4**	5.3	5.2
Weighted average fair value at grant date	**$17.68**	$15.52	$26.33

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

7. Stock-Based Compensation (continued)

The dividend yield represents the expected dividends on our stock for the expected term of the option. The expected volatility assumption is based on the historical volatility of our stock. The risk-free interest rate for periods within the life of the option is based on a blend of U.S. Treasury bond rates. We use historical data to estimate the expected life of the option and the period of time that options granted are expected to be outstanding.

The following table summarizes our stock option activity for 2009, 2008, and 2007:

	2009		2008		2007	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
	(Shares in Thousands)					
Balance at beginning of year	**19,134**	**$53.01**	17,313	$ 55.79	15,226	$ 49.21
Granted	**3,034**	**42.88**	3,568	41.93	5,079	72.29
Forfeited/expired	**(1,047)**	**56.79**	(1,612)	59.37	(852)	60.55
Exercised	**(1,273)**	**39.83**	(135)	40.87	(2,140)	46.21
Balance at end of year	**19,848**	**$52.10**	19,134	$ 53.01	17,313	$ 55.79

The intrinsic value of options exercised represents the excess of our stock price at the time the option was exercised over the exercise price and was $20 million in 2009, $1 million in 2008 and $58 million in 2007.

Additional information related to stock options outstanding and exercisable at January 30, 2010, segregated by exercise price range, is summarized below:

	Stock Options Outstanding			Stock Options Exercisable		
Range of Exercise Prices	Shares	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Shares	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
	(Shares in Thousands)					
In-the-money:						
$ 17.00 – $ 35.50	**2,515**	**3.4**	**$ 30.64**	2,146	3.0	$ 30.95
$ 35.59 – $ 38.30	**214**	**5.6**	**37.26**	59	5.0	36.94
$ 38.34 – $ 41.63	**2,514**	**6.2**	**41.58**	29	5.8	39.77
$ 41.70 – $ 45.57	**2,190**	**5.5**	**43.03**	584	6.2	43.04
$ 45.58 – $ 50.37	**2,484**	**8.6**	**48.13**	1,892	9.2	47.90
Out-of-the-money:						
$ 50.39 – $ 51.81	**2,848**	**4.6**	**51.37**	2,254	4.8	51.27
$ 51.83 – $ 66.25	**2,679**	**5.7**	**60.16**	2,000	5.8	60.95
$ 66.30 – $ 75.90	**1,511**	**5.5**	**68.53**	1,300	5.8	68.03
$ 75.95 – $ 77.62	**2,893**	**4.0**	**75.98**	1,493	3.9	75.98
	19,848	**5.4**	**$52.10**	11,757	5.4	$ 53.15
Intrinsic value (in thousands)	**$96,173**			$51,712		

The intrinsic value of outstanding and exercisable stock options represents the excess of our closing stock price on January 30, 2010 ($50.37) over the exercise price multiplied by the applicable number of stock options.

Table of Contents

7. Stock-Based Compensation (continued)

Nonvested stock awards

We have also awarded shares of nonvested common stock to eligible key employees. Substantially all awards have restriction periods tied primarily to employment and/or service. Beginning in March 2007, certain key employees were offered the option of receiving a portion of their annual award in nonvested stock. Nonvested stock awards vest over three to five years.

The fair value of nonvested stock awards is the closing price of our common stock on the date of grant. We may acquire shares from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employee's unvested stock award. Such shares are then designated as treasury shares.

The following table summarizes nonvested stock activity for 2009, 2008 and 2007:

	2009		2008		2007	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
	(Shares in Thousands)					
Balance at beginning of year	**276**	**$ 54.39**	150	$69.98	128	$ 51.17
Granted	**715**	**43.04**	187	44.86	116	75.95
Vested	**(76)**	**57.13**	(54)	64.48	(77)	50.00
Forfeited	**(32)**	**42.51**	(7)	54.90	(17)	60.22
Balance at end of year	**883**	**$ 45.44**	276	$ 54.39	150	$ 69.98

The aggregate fair value of awards at the time of vesting was $3 million in 2009, $2 million in 2008 and $4 million in 2007.

Other required disclosures

Stock-based compensation expense for both stock options and nonvested stock awards is included in Selling, General and Administrative expense in our Consolidated Statements of Income. Such expense totaled $64 million for 2009, $55 million for 2008 and $54 million for 2007.

Total unrecognized share-based compensation expense for all share-based payment plans was $118 million at January 30, 2010, of which approximately $54 million is expected to be recognized in 2010, $31 million in 2011, $17 million in 2012, $13 million in 2013 and $3 million in 2014. Future compensation expense may be impacted by future grants, changes in forfeiture estimates and/or actual forfeitures which differ from estimated forfeitures.

8. Contingencies

We are involved in various legal matters arising in the normal course of business. In the opinion of management, the outcome of such proceedings and litigation will not have a material adverse impact on our financial position or results of operations.

KOHL'S CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

9. Quarterly Financial Information (Unaudited)

	2009			
	First	Second	Third	Fourth
	(In Millions, Except Per Share Data)			
Net sales	$ 3,638	$ 3,806	$ 4,051	$ 5,682
Gross margin	$ 1,368	$ 1,520	$ 1,539	$ 2,070
Net income	$ 137	$ 229	$ 193	$ 431
Basic shares	305	305	305	306
Basic net income per share	$ 0.45	$ 0.76	$ 0.63	$ 1.41
Diluted shares	306	306	308	308
Diluted net income per share	$ 0.45	$ 0.75	$ 0.63	$ 1.40

	2008			
	First	Second	Third	Fourth
	(In Millions, Except Per Share Data)			
Net sales	$ 3,624	$ 3,725	$ 3,804	$ 5,235
Gross margin	$ 1,335	$ 1,475	$ 1,423	$ 1,822
Net income	$ 153	$ 236	$ 160	$ 336
Basic shares	309	306	305	305
Basic net income per share	$ 0.50	$ 0.77	$ 0.53	$ 1.10
Diluted shares	309	307	305	305
Diluted net income per share	$ 0.49	$ 0.77	$ 0.52	$ 1.10

Due to changes in stock prices during the year and timing of issuance of shares, the sum of quarterly net income per share may not equal the annual net income per share.

10. Related Party

One of our directors is also a shareholder of a law firm which performs legal services for us.

We have agreements with Blackhawk Network, Inc. ("Blackhawk") pursuant to which Blackhawk distributes our prepaid gift cards for sale in various retail outlets and, beginning in 2008, to which we will sell prepaid gift cards for other retailers in our stores. We pay Blackhawk a fee for Kohl's gift cards which are sold at other retailers and receive a fee for selling gift cards for other retailers in our stores. Blackhawk is a subsidiary of Safeway Stores, Inc. ("Safeway") and one of our directors is Chairman, President and Chief Executive Officer of Safeway. The agreements were entered into in the ordinary course of our business, and our director was not involved in any negotiations. Blackhawk is a leading provider of gift card marketing services in the retail industry, and Safeway has confirmed that the terms of our agreements with Blackhawk are substantially similar to the terms of Blackhawk's agreements with other similarly situated national retailers.

EXHIBIT 10.14

Outside Director Compensation

Directors who are not employees of the Company or its subsidiaries receive an annual retainer fee of $100,000. The Lead Director receives an additional retainer fee of $15,000. Chairpersons of the Compensation Committee and the Audit Committee receive an additional $20,000 retainer fee, and the Chairperson of the Governance & Nominating Committee receives an additional $10,000 retainer fee. Non-employee directors also receive retainer fees for membership on the Compensation, Audit and Executive Committees. Committee member retainers are $10,000 for Compensation Committee members and $15,000 for Audit Committee and Executive Committee members. All retainers are paid in arrears in quarterly installments.

Stock options are granted to non-employee directors from time to time. These grants are typically made at the time the director joins the Board and each time the director is re-elected by the shareholders to serve a new one-year term. These options have a term of ten years and typically vest on the first anniversary of the date of grant. The ‘grant date fair value’ of each director’s annual option award is intended to be approximately $100,000, calculated in accordance with Financial Accounting Standards No. 123R. Directors are also reimbursed for travel and other expenses related to attendance at Board of Directors and committee meetings and educational seminars approved in advance by the Governance and Nominating Committee.

EXHIBIT 10.25

Strategic Action Committee Incentive Program Summary

Purpose

The purpose of the Strategic Action Committee Incentive Program (the "Program") is to provide eligible executives with a financial incentive, encouraging them to perform in a manner which will enable the Company's Strategic Action Committees to meet or exceed their performance objectives each fiscal year.

Administration

The Program is administered by the Kohl's Board of Directors Compensation Committee (the "Compensation Committee").

Eligibility and Participation

Executive Committee members designated by the Compensation Committee are eligible to participate in the Program, and will receive an incentive award upon the achievement of certain performance targets tied to the officers' work on one of Kohl's corporate strategic action committees.

Eligible executives who serve on a designated strategic action committee for the full fiscal year are eligible to participate in the Program. An executive newly hired or promoted into an eligible position during a fiscal year for which an incentive payment is made will have his/her award prorated from the date of hire or promotion to the close of the fiscal year.

Except as otherwise determined by the Compensation Committee, a Program participant shall receive no award with respect to the fiscal year in which the participant's employment with Kohl's terminates for any reason prior to the last day of the fiscal year. A participant shall not forfeit a Program award if the participant's employment terminates after the end of the applicable fiscal year but prior to the distribution of the award for such year.

Performance Requirements and Awards

In order for awards to be made to any Program participant, the strategic action committee on which the participant serves must have achieved one or more performance targets established by the Committee at the beginning of the year. The Compensation Committee may establish various levels of performance targets with corresponding payouts. The Compensation Committee may also require any one or more corporate performance objectives that must be met before any awards are paid pursuant to the Program. Corporate and specific committee performance targets will be determined by the Compensation Committee at the beginning of each fiscal year and communicated to participants as soon as practicable.

At the end of each fiscal year, the Compensation Committee shall review the actual performance of each strategic action committee and certify whether the various performance targets have been achieved. Awards are payable to Program participants following this certification. The amount of each award shall be determined based upon the level of the performance targets achieved, and is calculated based upon a percentage of each participant's base pay, as determined by the Compensation Committee at the beginning of the year.

Exhibit 12.1

Kohl's Corporation
Ratio of Earnings to Fixed Charges
(Dollars in Millions)

	2009	2008	2007
Earnings			
Income before income taxes	**$1,588**	$ 1,425	$ 1,742
Fixed Charges	**462**	408	347
Less: interest capitalized during period	**(5)**	(8)	(16)
	$2,045	$ 1,825	$ 2,073
Fixed Charges			
Interest (expensed or capitalized)	**$ 139**	$ 140	$ 98
Portion of rent expense representative of interest	**322**	267	248
Amortization of deferred financing fees	**1**	1	1
	$ 462	$ 408	$ 347
Ratio of earnings to fixed charges	**4.42**	4.47	5.97

Exhibit 21.1

Subsidiaries

Name	State of Incorporation or Formation
Kohl’s Department Stores, Inc.	Delaware
Kohl’s Illinois, Inc.*	Nevada
Kohl’s Indiana, Inc.*	Delaware
Kohl’s Indiana, L.P.	Delaware
Kohl’s Michigan, L.P.	Delaware
Kohl’s Value Services, Inc.*	Virginia
Kohl’s Cares, LLC*	Wisconsin
KWAL, LLC	Wisconsin

* These subsidiaries are wholly owned subsidiaries of Kohl’s Department Stores, Inc

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8 #33-49886, Form S-8 #333-26409, Form S-8 #33-84558, Form S-8 #333-105264, Form S-8 #333-143086, and Form S-3 #333-146279) of Kohl's Corporation and in the related prospectuses, of our reports dated March 19, 2010, with respect to the consolidated financial statements of Kohl's Corporation, and the effectiveness of internal control over financial reporting of Kohl's Corporation, included in this Annual Report (Form 10-K) for the year ended January 30, 2010.

/s/ ERNST & YOUNG LLP

Milwaukee, Wisconsin
March 19, 2010

Exhibit 31.1

Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin Mansell, certify that:

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

Date: March 18, 2010

/s/ Kevin Mansell

Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Wesley S. McDonald, certify that:

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

Date: March 18, 2010

/s/ Wesley S. McDonald
Wesley S. McDonald
Chief Financial Officer

Exhibit 32.1

Certification by the Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Kevin Mansell, Chairman, President and Chief Executive Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge, on the date of this Certification:

1. This Annual Report on Form 10-K of the Company for the annual period ended January 30, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. That the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2010

/s/ Kevin Mansell

Kevin Mansell
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of the Chief Financial Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Wesley S. McDonald, Chief Financial Officer of Kohl's Corporation (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge, on the date of this Certification:

1. This Annual Report on Form 10-K of the Company for the annual period ended January 30, 2010 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and
2. That the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 18, 2010

/s/ Wesley S. McDonald

Wesley S. McDonald
Chief Financial Officer