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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 2, 2015

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 number 1-11084

KOHL'S

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**

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation 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 ☒ No ☐

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐✶ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by a check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: May 30, 2015 Common Stock, Par Value $0.01 per Share, 197,876,457 shares outstanding.

KOHL'S CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

KOHL'S CORPORATION
CONSOLIDATED BALANCE SHEETS
(In Millions)

	May 2, 2015	January 31, 2015	May 3, 2014
Assets	(Unaudited)	(Audited)	(Unaudited)
Current assets:			
Cash and cash equivalents	**$ 1,195**	$ 1,407	$ 717
Merchandise inventories	**4,165**	3,814	3,981
Deferred income taxes	**129**	116	137
Other	**340**	361	304
Total current assets	**5,829**	5,698	5,139
Property and equipment, net	**8,518**	8,515	8,677
Other assets	**216**	218	298
Total assets	**$ 14,563**	$ 14,431	$ 14,114
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable	**$ 1,645**	$ 1,511	$ 1,382
Accrued liabilities	**1,140**	1,160	1,078
Income taxes payable	**87**	78	73
Current portion of capital lease and financing obligations	**113**	110	112
Total current liabilities	**2,985**	2,859	2,645
Long-term debt	**2,793**	2,793	2,792
Capital lease and financing obligations	**1,840**	1,858	1,919
Deferred income taxes	**358**	368	339
Other long-term liabilities	**570**	562	562
Shareholders' equity:			
Common stock	**4**	4	4
Paid-in capital	**2,897**	2,743	2,612
Treasury stock, at cost	**(8,909)**	(8,744)	(8,232)
Accumulated other comprehensive loss	**(19)**	(20)	(33)
Retained earnings	**12,044**	12,008	11,506
Total shareholders' equity	**6,017**	5,991	5,857
Total liabilities and shareholders' equity	**$ 14,563**	$ 14,431	$ 14,114

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In Millions, Except per Share Data)

	Three Months Ended	
	May 2, 2015	May 3, 2014
Net sales	**$ 4,123**	$ 4,070
Cost of merchandise sold	**2,600**	2,574
Gross margin	**1,523**	1,496
Operating expenses:		
Selling, general and administrative	**1,016**	1,000
Depreciation and amortization	**227**	216
Operating income	**280**	280
Interest expense, net	**84**	85
Income before income taxes	**196**	195
Provision for income taxes	**69**	70
Net income	**$ 127**	$ 125
Net income per share:		
Basic	**$ 0.64**	$ 0.60
Diluted	**$ 0.63**	$ 0.60
Dividends declared and paid per share	**$ 0.45**	$ 0.39

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(In Millions, Except per Share Data)

	Common Stock		Paid-In	Treasury Stock		Accumulated Other	Retained	
	Shares	Amount	Capital	Shares	Amount	Comprehensive Loss	Earnings	Total
Balance at January 31, 2015	367	$ 4	$ 2,743	(166)	$ (8,744)	$ (20)	$ 12,008	$ 5,991
Comprehensive income	—	—	—	—	—	1	127	128
Stock options and awards, net of tax	3	—	154	—	(19)	—	—	135
Dividends paid ($0.45 per common share)	—	—	—	—	1	—	(91)	(90)
Treasury stock purchases	—	—	—	(2)	(147)	—	—	(147)
Balance at May 2, 2015	**370**	**$ 4**	**$ 2,897**	**(168)**	**$ (8,909)**	**$ (19)**	**$ 12,044**	**$ 6,017**

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In Millions)

	Three Months Ended	
	May 2, 2015	May 3, 2014
Operating activities		
Net income	**$ 127**	$ 125
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**227**	216
Share-based compensation	**14**	11
Excess tax benefits from share-based compensation	**(9)**	(2)
Deferred income taxes	**(23)**	5
Other non-cash revenues and expenses	**10**	5
Changes in operating assets and liabilities:		
Merchandise inventories	**(349)**	(105)
Other current and long-term assets	**28**	15
Accounts payable	**134**	17
Accrued and other long-term liabilities	**(69)**	(44)
Income taxes	**12**	(64)
Net cash provided by operating activities	**102**	179
Investing activities		
Acquisition of property and equipment	**(176)**	(176)
Other	**1**	4
Net cash used in investing activities	**(175)**	(172)
Financing activities		
Treasury stock purchases	**(147)**	(167)
Shares withheld for taxes on vested restricted shares	**(18)**	(14)
Dividends paid	**(90)**	(80)
Proceeds from financing obligations	**—**	3
Capital lease and financing obligation payments	**(27)**	(29)
Proceeds from stock option exercises	**134**	24
Excess tax benefits from share-based compensation	**9**	2
Net cash used in financing activities	**(139)**	(261)
Net decrease in cash and cash equivalents	**(212)**	(254)
Cash and cash equivalents at beginning of period	**1,407**	971
Cash and cash equivalents at end of period	**$ 1,195**	$ 717
Supplemental information		
Interest paid, net of capitalized interest	**$ 63**	$ 65
Income taxes paid	**84**	132
Non-Cash investing and financing activities		
Property and equipment acquired through additional liabilities	**$ 10**	$ 21

See accompanying Notes to Consolidated Financial Statements

KOHL'S CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for fiscal year end financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and related footnotes included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2015 (Commission File No. 1-11084) as filed with the Securities and Exchange Commission on March 20, 2015.

Due to the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year. In addition, quarterly results of operations may be impacted by the timing and amount of sales and costs associated with the opening of new stores.

We operate as a single business unit.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in ASC 605, Revenue Recognition. This ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under the current pronouncement, we are required to adopt the new pronouncement in the first quarter of fiscal 2017 using one of two retrospective application methods. We are evaluating the application method and the impact of this new statement on our financial statements.

In April 2015, the FASB issued ASU No. 2015-03, Simplifying the Presentation of Debt Issuance Costs (Subtopic 835-30). This ASU requires an entity to present such costs on the balance sheet as a direct deduction from the related debt liability rather than as an asset. Under the current pronouncement, we are required to adopt the new pronouncement in the first quarter of fiscal 2016. As of May 2, 2015, we have $12 million of debt issuance costs that would be reclassified from other assets to long-term debt on the balance sheet as a part of this pronouncement.

To conform to the current year presentation, we have corrected the presentation of $43 million of deferred income taxes that were previously recorded as long-term other assets and $24 million of other current assets that were previously recorded as an income taxes payable as of May 3, 2014.

2. Debt

Long-term debt consists of the following unsecured senior debt:

Maturity	Effective Rate	Coupon Rate	Outstanding: May 2, 2015 and January 31, 2015	Outstanding: May 3, 2014
			(Dollars in Millions)	
2017	6.31%	6.25%	**$ 650**	$ 650
2021	4.81%	4.00%	**650**	650
2023	3.25%	3.25%	**350**	350
2023	4.78%	4.75%	**300**	300
2029	7.36%	7.25%	**200**	200
2033	6.05%	6.00%	**300**	300
2037	6.89%	6.88%	**350**	350
	5.54%		**2,800**	2,800
Unamortized debt discount			**(7)**	(8)
Long-term debt			**$ 2,793**	$ 2,792

ASC No. 820, Fair Value Measurements and Disclosures, requires fair value measurements be classified in various pricing categories. Our long-term debt is classified as Level 1, financial instruments with unadjusted, quoted prices listed on active market exchanges. The estimated fair value of our long-term debt was $3.1 billion at May 2, 2015, January 31, 2015 and May 3, 2014.

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3. Stock-Based Compensation

Stock options

The following table summarizes our stock option activity for the three months ended May 2, 2015:

	Shares		Weighted Average Exercise Price
	(Shares in Thousands)		
Balance at beginning of period	6,211	$	52.95
Exercised	(2,536)		53.38
Forfeited/expired	(57)		51.82
Balance at end of period	3,618	$	52.68

Nonvested stock awards

The following table summarizes nonvested stock activity, including restricted stock equivalents issued in lieu of cash dividends, for the three months ended May 2, 2015:

	Shares		Weighted Average Grant Date Fair Value
	(Shares in Thousands)		
Balance at beginning of period	2,431	$	52.29
Granted	534		75.80
Vested	(564)		52.47
Forfeited	(95)		52.52
Balance at end of period	2,306	$	57.52

Performance share units

In March 2015, we granted performance-based restricted stock units ("performance share units") to certain executives. The performance measurement period for these performance share units is fiscal years 2015 through 2017. The fair market value of the grant was $86.87 per unit and was determined using a Monte-Carlo valuation on the date of grant. The performance share units cover a target of 131,000 shares.

The actual number of shares which will be earned at the end of the three-year vesting period will vary based on our cumulative financial performance over the vesting period. The number of performance share units earned will be modified up or down based on Kohl’s Relative Total Shareholder Return against a defined peer group during the vesting period. The payouts, if earned, will be settled in Kohl's common stock after the end of the multi-year performance period.

4. Contingencies

We are subject to certain legal proceedings and claims arising out of the conduct of our business. In the opinion of management, the outcome of these proceedings and litigation will not have a material adverse impact on our consolidated financial statements.

5. Net Income Per Share

The following table summarizes our basic and diluted net income per share calculations:

	Three Months Ended	
	May 2, 2015	May 3, 2014
	(In Millions)	
Numerator—Net income	**$ 127**	$ 125
Denominator—Weighted average shares:		
Basic	**200**	206
Impact of dilutive employee stock-based awards	**2**	2
Diluted	**202**	208
Antidilutive shares	—	7

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

For purposes of the following discussion, all references to "the quarter" and "the first quarter" are for the 13-week fiscal periods ended May 2, 2015 and May 3, 2014. References to "2015" are for the quarter ended May 2, 2015. References to "2014" are for the quarter ended May 3, 2014.

The following discussion should be read in conjunction with our Consolidated Financial Statements and the related notes included elsewhere in this report, as well as the financial and other information included in our 2014 Annual Report on Form 10-K (our "2014 Form 10-K"). The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could materially differ from those discussed in these forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those discussed elsewhere in this report and in our 2014 Form 10-K (particularly in "Risk Factors").

Executive Summary

As of May 2, 2015, we operated 1,164 family-focused, value-oriented department stores and a website (www.kohls.com) that sell moderately priced exclusive and national brand apparel, footwear, accessories, beauty and home products. Our stores generally carry a consistent merchandise assortment with some differences attributable to regional preferences. Our website includes merchandise which is available in our stores, as well as merchandise which is available only on-line.

In the first quarter of 2014, we introduced a multi-year strategic framework which we refer to as "the Greatness Agenda". It is built on five pillars - amazing product, incredible savings, easy experience, personalized connections and winning teams. All of the Greatness Agenda initiatives are designed to increase sales, primarily by increasing the number of customers that shop at our stores and on-line. We are pleased with the positive impact the Greatness Agenda is having on our results and remain committed to the bold moves that are part of the Greatness Agenda.

In fiscal 2015, we are focused on key entertainment brands and properties including Cinderella, Marvel, Star Wars and our Jumping Beans and Disney collaboration. Another area of focus is sports offerings featuring NFL, NCAA and MLB team shops.

Key active and wellness initiatives in fiscal 2015 emphasize new and expanded launches, including Nike, Bliss, Gaiam yoga apparel, Champion and PUMA, and wearables that focus on wellness activities and sleep. We are planning a major re-launching of the Columbia brand this fall.

We continue to enhance the online shopping experience for our customers. In the first quarter of 2015, we implemented significant improvements for customers using tablets and launched a new mobile app.

During the first quarter of 2015, we rolled out buy-online, pick-up in store to all stores. Additionally, 200 more stores received the new beauty experience in the first quarter. By August, we expect to have brought this new experience to 900 of our stores.

We continue to make progress in building and activating an unmatched personalization capability. We are augmenting our behavior segmentation with shopper type, life stage and life cycle data. We expect to have 5 billion personalized touches in 2015.

We've expanded our localization assortment strategy and by the end of fiscal 2015, almost half of our business will be transitioned to tailored assortments by store.

As of May 2, 2015, almost 29 million customers were enrolled in our Yes2You loyalty program. Loyalty members accounted for 54% of first-quarter transactions. We continue to see that loyalty members are shopping more often and spending more with each trip. We continue to design program enhancements to create higher engagement with our customers.

Net sales for the quarter were $4.1 billion, an increase of $53 million, 1.3%, over the first quarter of 2014. Comparable sales increased 1.4%. Gross margin as a percentage of sales was 36.9% for the quarter, 17 basis points higher than the first quarter of 2014. Merchandise margin increased, but was partially offset by higher shipping expenses. Selling, general and administrative ("SG&A") expenses increased in dollars and remained consistent as a percentage of sales. We increased our IT and fixed store expenses during the quarter. For the quarter, net income was $127 million, 2% higher than the first quarter of last year, and diluted earnings per share was $0.63, an increase of 5% over the first quarter of 2014. We ended the quarter with $1.2 billion of cash and cash equivalents, an increase of $478 million over May 3, 2014.

See Results of Operations and Liquidity and Capital Resources for additional details about our financial results.

Results of Operations

Net sales.

Net sales increased 1.3% to $4.1 billion for the quarter. Comparable sales increased 1.4% for the quarter. Comparable sales include sales for stores (including relocated or remodeled stores) which were open during both the current and prior year periods. We also include omni-channel sales in our comparable sales. Adjustments for omni-channel sales that have been shipped, but not yet received by the customer are included in net sales, but are not included in our comparable sales.

The following table summarizes changes in net sales for the quarter:

	$	%
	(Dollars In Millions)	
Net Sales - 2014	$ 4,070	
Comparable sales	56	1.4%
New and closed stores and other revenues	(3)	—%
Increase in net sales	53	1.3%
Net Sales - 2015	$ 4,123	

Drivers of the changes in comparable sales were as follows:

Selling price per unit	2.7 %
Units per transaction	(1.3)
Average transaction value	1.4
Number of transactions	—
Comparable sales	1.4 %

The increase in selling price per unit was a combination of increased penetration and selling prices in our National brand portfolio as well as improved clearance rates. Units per transaction decreased as customers purchased fewer items in response to the higher prices. Transactions were consistent with the first quarter of 2014, but trends have improved over the declines experienced in the first three quarters of fiscal 2014, as our Greatness Agenda initiatives gained traction.

From a regional perspective, including on-line originated sales, the Midwest region outperformed the Company average for the quarter. The West, Northeast and Southeast regions were consistent with the Company average. The Mid-Atlantic region reported a comparable sales increase, but was slightly below the Company average. The South Central region reported a slight comparable sales decrease for the first quarter of 2015.

By line of business, Home, Footwear and Men's all reported comparable sales increases greater than 3%. Children's was consistent with the Company average. Accessories was consistent with the first quarter of 2014. Women's reported comparable sales decreases from the first quarter of 2014.

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Gross margin.

	2015	2014	Increase $	Increase %
	(Dollars in Millions)			
Gross margin	**$1,523**	$1,496	$27	1.8%
As a percent of net sales	**36.9%**	36.8%		0.17%

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 on-line 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.

Gross margin as a percentage of sales increased 17 basis points over the first quarter of 2014. Merchandise margin increased 57 basis points over the first quarter of 2014, as a result of improved promotional and clearance markdowns. Shipping losses reduced gross margin by 42 basis points more than in the first quarter of 2014, as a result of growth in our on-line business and higher costs to ship merchandise.

Selling, general and administrative expenses.

	2015	2014	Increase $	Increase %
	(Dollars in Millions)			
Selling, general and administrative expenses	**$ 1,016**	$ 1,000	$ 16	2%
As a percent of net sales	**24.6%**	24.6%		0.07%

SG&A expenses 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; marketing expenses, offset by vendor payments for reimbursement of specific, incremental and identifiable costs; net revenues from our Kohl's credit card operations; and other administrative revenues and expenses. We do not include depreciation and amortization in SG&A. The classification of these expenses varies across the retail industry.

The following table summarizes the changes in SG&A by expense type for the quarter:

	(In Millions)
Store expenses	**$ 17**
Corporate expenses	**11**
Distribution costs	**1**
Net revenues from credit card operations	**(2)**
Marketing costs, excluding credit card operations	**(11)**
Total increase	**$ 16**

Many of our expenses, including store payroll and distribution costs, are variable in nature. These costs generally increase as sales increase and decrease as sales decrease. We measure both the change in these variable expenses and the expense as a percent of sales. If the expense as a percent of sales decreased from the prior year, the expense "leveraged" and indicates that the expense was well-managed or effectively generated additional sales. If the expense as a percent of sales increased over the prior year, the expense "deleveraged" and indicates that sales growth was less than expense growth. SG&A as a percent of sales increased, or "deleveraged," by 7 basis points for the quarter.

The increase in store expense is a result of higher common area maintenance, repairs and maintenance, and store payroll. IT spending, which is included in corporate expenses, increased over the first quarter of 2014 due to growth and infrastructure investments. Corporate expenses also increased due to higher incentive compensation. The increased corporate spending was partially offset by a decrease in health and hospital trends. Marketing expenses decreased for the quarter as we were more strategic in our direct mail marketing and promotions. We plan to spend some of the savings in future quarters.

Other Expenses.

	2015	2014	Increase/ (Decrease) $	Increase/ (Decrease) %
	(Dollars in Millions)			
Depreciation and amortization	**$ 227**	$ 216	$ 11	5 %
Interest expense, net	**84**	85	(1)	(1)%
Provision for income taxes	**69**	70	(1)	(1)%
Effective tax rate	**35.3%**	36.0%		

Depreciation and amortization increased $11 million over the first quarter of 2014, as a result of higher IT amortization. Interest expense was consistent with the first quarter of 2014. The provision for income taxes was consistent with the first quarter of 2014, as higher income before taxes was offset by a lower effective tax rate. The decrease in effective tax rate was primarily due to a favorable state audit settlement during the quarter.

Seasonality and Inflation

Our business, like that of most retailers, is subject to seasonal influences, with the major portion of sales and income typically realized during the second half of each fiscal year, which includes the back-to-school and holiday seasons. Approximately 15% of annual sales typically occur during the back-to-school season and 30% during the holiday season. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for a full fiscal year. Revenues and expenses associated with the opening of new stores may also affect our quarterly results.

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

Financial Condition and Liquidity

The following table presents our primary cash requirements and sources of funds.

Cash Requirements	Source of Funds
• Operational needs, including salaries, rent, taxes and other costs of running our business	• Cash flow from operations
• Capital expenditures	• Short-term trade credit, in the form of extended payment terms
• Inventory (seasonal and new store)	• Line of credit under our revolving credit facility
• Share repurchases	
• Dividend payments	

Our working capital and inventory levels typically build throughout the fall, peaking during the November and December holiday selling season.

	2015	2014	Increase/(Decrease) in Cash $	Increase/(Decrease) in Cash %
Net cash provided by (used in):	(Dollars in Millions)			
Operating activities	**$ 102**	$ 179	$ (77)	(43)%
Investing activities	**(175)**	(172)	(3)	(2)%
Financing activities	**(139)**	(261)	122	47 %

Operating Activities. Operating activities generated $102 million of cash in the first quarter of 2015, compared to $179 million in the first quarter of 2014.

Merchandise inventory increased $184 million to $4.2 billion at May 2, 2015. Inventory cost per store increased 4% and units per store increased 1% over the first quarter of 2014. On a unit basis, national brands increased 10% per store while private and exclusive brands decreased 5% and 7%, respectively. The difference between units per store and cost per store reflects the higher cost of national brands. Accounts payable as a percent of inventory was 39.5% at May 2, 2015, compared to 34.7% at May 3, 2014. The increase reflects higher receipt volume, partially offset by slower inventory turnover. Income taxes generated cash of $12 million in the first quarter of 2015 and used cash of $64 million in the first quarter of 2014. The increase in cash is due to timing of tax payments.

Investing Activities. Investing activities used cash of $175 million in the first quarter of 2015 and $172 million in the first quarter of 2014. Capital expenditures were $176 million in both the first quarter of 2015 and 2014, as store refresh spending shifted from new stores in 2014 to beauty remodels in 2015. Corporate spending shifted from a build out of a call center in Texas in 2014 to our Menomonee Falls corporate campus in 2015.

Financing Activities. Financing activities used cash of $139 million in the first quarter of 2015 and $261 million in the first quarter of 2014.

We paid cash for treasury stock purchases of $147 million in the first quarter of 2015 and $167 million in the first quarter of 2014. Share repurchases are discretionary in nature. The timing and amount of repurchases is based upon available cash balances, our stock price and other factors.

We received proceeds from stock options exercises of $134 million in the first quarter of 2015 and $24 million in the first quarter of 2014. The increase is due to increases in our stock price in the first quarter of 2015, leading to an increased number of exercised options.

We paid cash dividends of $90 million ($0.45 per share) in the first quarter of 2015 and $80 million ($0.39 per share) in the first quarter 2014. On May 13, 2015, our board of directors declared a quarterly cash dividend of $0.45 per common share. The dividend is payable on June 24, 2015 to shareholders of record at the close of business on June 10, 2015.

Free Cash Flow. Free cash flow is a non-GAAP financial measure which we define as net cash provided by operating activities and proceeds from financing obligation payments (which generally represent landlord reimbursements of construction costs) less capital expenditures and capital lease and financing obligations. 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.

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

	2015	2014	Increase/(Decrease) in Free Cash Flow
	(In Millions)		
Net cash provided by operating activities	**$ 102**	$ 179	$ (77)
Acquisition of property & equipment	**(176)**	(176)	—
Capital lease & financing obligation payments	**(27)**	(29)	2
Proceeds from financing obligations	—	3	(3)
Free cash flow	**$ (101)**	$ (23)	$ (78)

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

	May 2, 2015	May 3, 2014
Working capital (In Millions)	**$ 2,844**	$ 2,494
Current ratio	**1.95**	1.94
Debt/capitalization	**44.1%**	45.2%

The increases in working capital and the current ratio are primarily due to higher cash balances. The decrease in the debt/capitalization ratio is primarily due to lower capital lease and financing obligations and higher equity.

Debt Covenant Compliance. As of May 2, 2015, we were in compliance with all debt covenants and expect to remain in compliance during the remainder of fiscal 2015.

		(Dollars in Millions)
Included Indebtedness		
Total debt	$	4,753
Permitted exclusions		(7)
Subtotal		4,746
Rent x 8		2,224
Included Indebtedness	$	6,970
Rolling 12-month Adjusted Debt Compliance EBITDAR		
Net income	$	869
Rent expense		278
Depreciation and amortization		897
Net interest		338
Provision for income taxes		482
EBITDAR		2,864
Stock based compensation		52
Other non-cash revenues and expenses		19
Rolling 12-month Adjusted Debt Compliance EBITDAR	$	2,935
Debt Ratio (a)		2.37
Maximum permitted Debt Ratio		3.75

(a) Included Indebtedness divided by Adjusted Debt Compliance EBITDAR

Contractual Obligations

There have been no significant changes in the contractual obligations disclosed in our 2014 Form 10-K.

Off-Balance Sheet Arrangements

We have not provided any financial guarantees as of May 2, 2015. 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 our 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 reported amounts. Management has discussed the development, selection and disclosure of its estimates and assumptions with the Audit Committee of our Board of Directors. There have been no significant changes in the critical accounting policies and estimates discussed in our 2014 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in the market risks described in our 2014 Form 10-K.

Item 4. 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 have concluded that our disclosure controls and procedures are effective at the reasonable assurance level. Disclosure controls and procedures are defined by Rule

13a-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) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended May 2, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1A. Risk Factors

There have been no significant changes in our risk factors from those described in our 2014 Form 10-K.

Forward-looking Statements

This report contains statements that may constitute forward-looking statements within the meaning of the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Those statements relate to developments, results, conditions or other events we expect or anticipate will occur in the future. Words such as “believes,” “anticipates,” “plans,” “expects” and similar expressions are intended to identify forward-looking statements. Without limiting the foregoing, these statements may relate to future outlook, revenues, earnings, store openings, planned capital expenditures, market conditions, new strategies and the competitive environment. Forward-looking statements are based on our management’s then current views and assumptions and, as a result, are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Any such forward-looking statements are qualified by the important risk factors described in Item 1A of our 2014 Form 10-K or disclosed from time to time in our filings with the SEC, that could cause actual results to differ materially from those predicted by the forward-looking statements. Forward-looking statements relate to the date initially made, and we undertake no obligation to update them.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any securities during the quarter ended May 2, 2015 which were not registered under the Securities Act.

The following table contains information for shares repurchased and 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 May 2, 2015:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
				(In Millions)
February 1 – February 28, 2015	34,887	$ 61.96	30,962	$ 1,643
March 1 – April 4, 2015	1,056,978	75.38	825,971	1,581
April 5 – May 2, 2015	1,096,462	75.64	1,093,408	1,498
Total	2,188,327	$ 75.30	1,950,341	$ 1,498

Item 6. Exhibits

Exhibit Number	Description
10.1	Agreement dated as of April 17, 2015 by and between Ken Bonning and Kohl's Department Stores Inc.
12.1	Ratio of Earnings to Fixed Charges
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

SIGNATURES

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

Kohl’s Corporation
(Registrant)

Date: June 5, 2015

/s/ Wesley S. McDonald

Wesley S. McDonald
On behalf of the Registrant and as Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

EXHIBIT 10.1

AGREEMENT

This Agreement ("Agreement") is made as of the last date set forth opposite any signature hereto between **KEN BONNING** ("Executive"), and **KOHL'S DEPARTMENT STORES, INC.**, N56 W17000 Ridgewood Dr., Menomonee Falls, WI 53051, (the "Company").

BACKGROUND

Executive and Company entered into an Amended and Restated Employment Agreement dated as of April 1, 2012 (the "Employment Agreement") whereby Company and Executive agreed to certain aspects of their relationship during and after the period in which Employee is employed by the Company; and

Executive has expressed his intention to retire, and Executive and Company have mutually agreed to sever all aspects of Executive's employment relationship with Company and terminate the Employment Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. TERMINATION OF EMPLOYMENT. Notwithstanding any provision in the Employment Agreement, Company and Executive shall voluntarily sever Executive's employment with Company effective May 15, 2015 (the "Retirement Date"). Executive hereby resigns from all offices, positions, titles and capacities Executive held with Company and its affiliates, effective on the Retirement Date. Company hereby accepts this resignation.

Subject to and conditional upon Executive executing this Agreement and not revoking his acceptance hereof within the timeframes specified below, the rights, duties and obligations of the parties shall be governed by this Agreement, and the Employment Agreement shall be terminated, except as specifically provided therein.

2. BENEFITS TO EXECUTIVE. Subject to and conditional upon Executive executing this Agreement and not revoking his acceptance hereof within the timeframes specified below, Company agrees to provide Executive with the following benefits:

A. Final Pay, Final Expenses. In accordance with the Company's current payroll practices, Executive shall receive his regular salary through the Retirement Date, at which time Executive shall be removed from the Company's payroll system. Executive shall be reimbursed for all documented business expenses that have been incurred by Executive during the course of the performance of his duties while employed by the Company, to the extent such expenses are reimbursable in accordance with the Company's current business expense reimbursement programs. Executive acknowledges that he will not be eligible for any bonus payments attributable to fiscal year 2015 or beyond.

B. Severance Payments. Executive shall not be entitled to any severance or additional compensation or payments of any other sort under the Employment Agreement or otherwise except as specifically set forth in this Agreement.

C. Prior Equity Compensation Awards.

(i) Those stock options referenced on EXHIBIT A attached hereto (the "Accelerated Options") shall vest in full on the Retirement Date. All of Executive's other unvested stock options shall, as of the Retirement Date, be immediately cancelled, null and void.

(ii) Executive shall have until May 16, 2016 to exercise all unexpired stock options that are vested as of May 16, 2015, including the Accelerated Options. As of 3:00 pm Central Time on May 16, 2016, all of Executive's vested but unexercised stock options, including the Accelerated Options, shall be cancelled, null and void.

(iii) Those shares of restricted stock referenced on EXHIBIT B attached hereto (the “Accelerated Restricted Stock”) shall vest in full on the Retirement Date. On the Retirement Date or as soon as practicable thereafter, Company shall release the Accelerated Restricted Stock to Executive, net of the shares required to satisfy Executive’s tax withholding obligations. All of Executive’s other unvested restricted stock shall, as of the Retirement Date, be immediately cancelled, null and void.

(iv) All of Executive’s performance share units that were granted pursuant to Executive’s Performance Share Unit Agreement dated January 13, 2014 (the PSU Agreement”) shall, as of the Termination Date, be immediately cancelled, null and void, WITH THE EXCEPTION OF Four Thousand Four Hundred Seventy Eight (4,478) performance share units (the “Prorated PSUs”). The Prorated PSUs shall remain in Executive’s Fidelity brokerage account and, together with all Dividend Equivalents on such Prorated PSUs, shall be eligible for conversion to KSS shares in accordance with their terms following conclusion of the Company’s fiscal year 2016. The Prorated PSUs, Dividend Equivalents and all payment rights thereunder shall be subject to and contingent upon all of the terms and conditions set forth in the PSU Agreement.

(v) Company shall grant no additional equity awards to Executive from or after the date of this Agreement.

D. Savings Plan. Company maintains the Kohl's Savings Plan (the 401(k) Plan) for the benefit of eligible employees. The 401(k) Plan is composed of two (2) accounts for each eligible employee: (i) a savings account to which eligible employees are permitted to make voluntary contributions which are matched by Company as provided in the 401(k) Plan; and (ii) a retirement account to which Company makes contributions to eligible employees. In the event Executive has an interest in Company's 401(k) Plan, Executive’s interest is subject to the terms and conditions of the 401(k) Plan in effect from time to time. Executive authorizes Company to discontinue Executive’s voluntary contributions to Executive’s savings account in the 401(k) Plan, effective as of the Retirement Date and Company shall make no additional matching contributions to Executive’s savings account in the 401(k) Plan effective on or after Retirement Date. Executive understands that Company shall make no distribution from Executive’s 401(k) Plan savings account on or prior to the Retirement Date. For purposes of Executive’s 401(k) Plan retirement account and matching contributions to Executive’s savings account, Company shall credit Executive with employment service commencing on the date Executive was hired by Company and ending on the Retirement Date in accordance with the 401(k) Plan terms and conditions.

E. Deferred Compensation. In the event Executive has an interest in Company's Deferred Compensation Plan (“Deferred Compensation Plan”), Executive’s interest is subject to the terms of redemption contained in the Deferred Compensation Plan.

F. Medical Insurance. Company and Executive acknowledge that following the Retirement Date, Executive has the right to elect to continue certain health insurance benefits, with premiums to be paid by Executive, as provided under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”). Company shall provide Executive with written notice explaining Executive’s COBRA rights which arise from Executive’s separation of employment with Company.

Except as otherwise provided in this Agreement, all other employee benefits shall cease as of the Retirement Date.

1. **EXECUTIVE’S OBLIGATIONS.**

A. Waiver and General Release by Executive. In exchange for the benefits and payments to Executive described in this Agreement and to the extent permitted by law, Executive hereby waives and irrevocably and unconditionally releases, acquits, and fully and forever discharges Company, its related corporations and other businesses and each of their past, current and future agents, servants, officers, directors, stockholders, Executives, and attorneys and their respective successors and assigns (the “Released Parties”) from and against any and all claims, liabilities, debts, suits, demands, causes of action or controversies of any nature whatsoever, for all injuries, losses and damages (including, but not limited to, punitive damages) whether in law or in equity, contract or tort or whether judicial or administrative in nature, which arose prior to the time Executive signs this Agreement. This release covers claims, whether brought by or on behalf of Executive and whether asserted or unasserted, whether known or unknown or anticipated or unanticipated by Executive. Executive further covenants and agrees not to sue Company for any claims referred to in this paragraph. This release includes, but is not necessarily limited to:

i. Any and all liability of Company resulting from, arising out of, or connected with the employment relationship existing between Executive and Company or the termination of that relationship, including, but not necessarily limited to, any and all liability based on non-vested salary, vacation, or any other form of compensation or any and all liability related to the termination of the Employment Agreement.

ii. To the extent any of the following statutes are applicable to Company, any and all liability of Company based on rights or claims arising under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Civil Rights Act of 1991, the Americans With Disabilities Act, the Rehabilitation Act of 1973, the Executive Retirement Income Security Act of 1974, the Fair Labor Standards Act, the National Labor Relations Act, the Labor Management Relations Act, the Federal Family and Medical Leave Act, the employment laws of the state in which Executive is employed by Company, and any other applicable federal, state, or local laws, regulations, and ordinances of any kind; and

iii. Any and all liability of Company arising under any common law claims of wrongful discharge, breach of any express or implied contract, misrepresentation, defamation, interference with contract, intentional or negligent infliction of emotional distress, and any other tort and tort-type claims based on allegations of injury to Executive’s reputation and any other tort and tort-type personal injuries.

This release includes any and all matters in connection with or based wholly or partially upon, without limitation by enumeration, acts of age or other discrimination, libel, slander, interference with prospective business relationships, invasion of privacy, or failure to interview, hire or appoint, allegedly committed against Executive by Company, up to and including the date on which Executive signs this Agreement, whether such claims are known or unknown at the time Executive signs this Agreement.

This waiver, release and covenant not to sue does not apply to (i) any benefits under any Company retirement plan which vested as of the Retirement Date; (ii) any worker's compensation claim Executive may have against Company; or (iii) any benefits to be provided under this Agreement. This release shall not relieve Executive from any obligations Executive may have now or may incur in the future on Executive’s Kohl's retail charge account.

B. Waiver of Reinstatement. Executive waives any and all rights to reinstatement to employment, and hereby agrees not to reapply for employment with Company, its successors or related and/or affiliated companies.

C. Forfeiture of Litigation Benefits. Executive agrees to waive any monetary or other benefits which may be conferred on Executive in any litigation brought against Company or any of the Released Parties respecting any claims waived or released hereunder.

D. Non-Disparagement. Executive agrees not to engage at any time in any form of conduct or make any statements or representations, or direct any other person or entity to engage in any conduct or make any statements or representations, that disparage, criticize or otherwise impair the reputation of the Company, its affiliates, parents and subsidiaries and their respective past and present officers, directors, stockholders, partners, members, agents and employees. Nothing contained in this Section 3 (D) shall preclude Executive from providing truthful testimony or statements pursuant to subpoena or other legal process or in response to inquiries from any government agency or entity.

E. Return of Property. On or before the Retirement Date, Executive shall return all Company property under Executive’s possession or control, including but not limited to any Company-owned vehicle, computer equipment, corporate credit cards, keys, access cards, smartphones and SecureID tokens. Executive shall immediately return to the Company all documents, records, and materials belonging and/or relating to the Company, and all copies of all such materials. Executive further agrees to destroy such records maintained by Executive on Executive’s own computer equipment.

F. Voicemail, Email. Company shall discontinue Executive’s voice mail and e-mail privileges, effective on the Retirement Date. Executive shall not have access to non-public portions of any of Company's facilities after the Retirement Date. On or before the Retirement Date, Executive shall provide Company’s Human

Resources Department with current contact information including home address, email address and mobile telephone number.

G. Covenant Not to Recruit. Executive hereby covenants and agrees that Executive will not at any time prior to the Retirement Date, and for a period of one (1) year thereafter, directly or indirectly, whether as an owner, stockholder, director, officer, partner, employee, agent, provider, consultant, independent contractor or otherwise; (i) solicit or recruit, or attempt to solicit or recruit, or assist others in soliciting or recruiting individuals employed by Company as of the date hereof to accept employment elsewhere; provided, however, that this clause shall not prohibit Executive from soliciting or recruiting individuals who, at the time of solicitation or recruiting, no longer work for Company and whose departure from Company was not attributable directly or indirectly to Executive; or (ii) provide employment references with respect to current executives or Executives of Company.

H. Non-Compete. See Section 10 below.

4. ACCEPTANCE AND REVOCATION RIGHTS. Company desires to ensure that Executive voluntarily agrees to the terms contained in this Agreement and does so only after Executive fully understands them. Accordingly, the following procedures shall apply:

A. Executive agrees and acknowledges that Executive has read this Agreement, understands its contents, and may agree to the terms of this Agreement by signing and dating it and returning the signed and dated document, via mail, hand delivery, or overnight delivery, so that it is received by Richard D. Schepp, Senior Executive Vice President, General Counsel, within 21 days from the date of Executive’s receipt;

B. Executive agrees and acknowledges that Executive has been advised by Company to consult with an attorney and tax consultants prior to signing this Agreement;

C. Executive agrees and acknowledges that this Agreement provides Executive with benefits from Company which, in their totality, are greater than those to which Executive otherwise would be entitled;

D. Executive understands that this Agreement, at Section 3, above, includes a final General Release, including a release of all claims under the Age Discrimination in Employment Act;

E. Executive understands that Executive has seven (7) days after signing this Agreement to revoke his acceptance of it. This seven (7) day period is called the “Revocation Period”. Such revocation will not be effective unless written notice of the revocation is actually delivered via mail, hand delivery, or overnight delivery, to Richard D. Schepp on or before the end of the Revocation Period. If Executive gives timely notice of Executive’s intention to revoke Executive’s acceptance of the terms set forth in this Agreement, this Agreement shall become null and void, and all rights and claims of the parties which would have existed, but for the acceptance of this Agreement's terms, shall be restored;

F. This document will not be binding or enforceable unless Executive has signed and delivered it as provided herein, and has not chosen to exercise Executive’s revocation rights, as described herein; and

G. Executive represents and warrants to Company that, in the event Executive chooses to accept the terms of this Agreement by signing below, the date appearing alongside Executive’s name on the last page of this document shall be the actual date and time on which Executive has signed the agreement. Notwithstanding Executive’s failure to execute this Agreement or Executive’s revocation of this Agreement in accordance with this paragraph, the terms of this paragraph will continue to apply.

H. An executed original of this Agreement shall be returned to Richard D. Schepp, Senior Executive Vice President, General Counsel, Kohl's Department Stores, Inc., N56 W17000 Ridgewood Drive, Menomonee Falls, Wisconsin 53051.

5. REPRESENTATIONS OF EXECUTIVE. Executive represents and warrants to Company that:

A. Execution Date. Executive has executed this Agreement on the date set forth opposite Executive’s name on the signature page hereof; and

B. Voluntary and Knowing. This Agreement has been carefully read by Executive following consultation with his legal counsel, and its contents are known and understood by Executive. Executive has signed this Agreement freely and voluntarily and intends to be bound by it.

6. NON-ADMISSION. Neither the negotiations concerning this Agreement, nor the actual provision of consideration set forth in this document, nor Company's drafting or execution of this document shall be construed as an acknowledgment or admission by Company of any liability to Executive or any other individual or entity or of any wrongdoing under federal, state or local law.

7. CONFIDENTIALITY

A. Acknowledgments. Executive acknowledges and agrees that, as an integral part of its business, the Company has expended a great deal of time, money and effort to develop and maintain confidential, proprietary and trade secret information to compete against similar businesses and that this information, if misused or disclosed, would be harmful to the Company's business and competitive position in the marketplace. Executive further acknowledges and agrees that in Executive's position with the Company, the Company provided Executive with access to its confidential, proprietary and trade secret information, strategies and other confidential business information that would be of considerable value to competitive businesses. As a result, Executive acknowledges and agrees that the restrictions contained in this Section 7 are reasonable, appropriate and necessary for the protection of the Company's confidential, proprietary and trade secret information. For purposes of this Section 7, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

B. Confidentiality Obligations. Executive will not directly or indirectly use or disclose any Trade Secrets unless such information ceases to be deemed a Trade Secret by means of one of the exceptions set forth in Section 7(C)(3), below. For a period of two (2) years following the Retirement Date, Executive will not directly or indirectly use or disclose any Confidential Information, unless such information ceases to be deemed Confidential Information by means of one of the exceptions set forth in Section 7(C)(3), below.

C. Definitions.

(i) Trade Secret. The term "Trade Secret" shall have that meaning set forth under applicable law. This term is deemed by the Company to specifically include all of Company's computer source, object or other code and any confidential information received from a third party with whom the Company has a binding agreement restricting disclosure of such confidential information.

(ii) Confidential Information. The term "Confidential Information" shall mean all non-Trade Secret or proprietary information of the Company which has value to the Company and which is not known to the public or the Company's competitors, generally, including, but not limited to, strategic growth plans, pricing policies and strategies, employment records and policies, operational methods, marketing plans and strategies, advertising plans and strategies, product development techniques and plans, business acquisition and divestiture plans, resources, sources of supply, suppliers and supplier contractual relationships and terms, technical processes, designs, inventions, research programs and results, source code, short-term and long-range planning, projections, information systems, sales objectives and performance, profits and profit margins, and seasonal plans, goals and objectives.

(iii) Exclusions. Notwithstanding the foregoing, the terms "Trade Secret" and "Confidential Information" shall not include, and the obligations set forth in this Section 7 shall not apply to, any information which: (i) can be demonstrated by Executive to have been known by Executive prior to Executive's employment by the Company; (ii) is or becomes generally available to the public through no act or omission of Executive; (iii) is obtained by Executive in good faith from a third party who discloses such information to Executive on a non-confidential basis without violating any obligation of confidentiality or secrecy relating to the information disclosed; or (iv) is independently developed by Executive outside the scope of Executive's employment without use of Confidential Information or Trade Secrets.

C. Confidentiality of this Agreement. Executive agrees that Executive will not disclose, directly or indirectly, any non-public terms of this Agreement to any third party; provided, however, that following Executive's obtaining a promise of confidentiality for the benefit of the Company from Executive's tax preparer, accountant, attorney and spouse, Executive may disclose such terms to such of these individuals who have made such a promise of confidentiality. This provision shall not prevent Executive from disclosing such matters in testifying in any hearing, trial or other legal proceeding where Executive is required to do so.

8. ENTIRE AGREEMENT. This Agreement constitutes the complete understanding between the parties concerning all matters affecting Executive's employment with Company and the termination thereof and supersedes all prior agreements, understandings and practices concerning such matters, including, without limitation, any prior Employment Agreement Executive may have had with Company, the provisions of any Company personnel documents, handbooks or policies and any prior customs or practices of Company with respect to bonuses, severance pay, fringe benefits or otherwise. Notwithstanding the foregoing, it is expressly agreed that Executive shall remain bound by those provisions of Articles IV and VI of the Employment Agreement subsequent to the termination of Executive's employment.

9. NO PREVAILING PARTY DESIGNATION. The parties agree that this Agreement shall not be construed to render Executive or Company a "prevailing party" within the meaning of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Fair Labor Standards Act, as amended, the laws of the State within which Executive resides or performs services for Company, Employee Retirement Income Security Act of 1974 (ERISA), as amended, or under any law, statute or ordinance allowing attorneys' fees and/or costs to a party who "prevails" in any manner or sense, nor shall this Agreement be deemed to constitute a factor supporting an award of attorneys' fees and/or costs under any law, statute or ordinance. Except as expressly provided herein, all parties are responsible for their own attorney's fees in connection with the presentation and resolution of their disputes.

10. RESTRICTED SERVICES OBLIGATION

A. Acknowledgments. Executive acknowledges and agrees that the Company is one of the leading retail companies in the United States, with department stores throughout the United States, and that the Company compensates executives like Executive to, among other things, develop and maintain valuable goodwill and relationships on the Company's behalf (including relationships with customers, suppliers, vendors, employees and other associates) and to maintain business information for the Company's exclusive ownership and use. As a result, Executive acknowledges and agrees that the restrictions contained in this Section 10 are reasonable, appropriate and necessary for the protection of the Company's goodwill, customer, supplier, vendor, employee and other associate relationships and Confidential Information and Trade Secrets. Executive further acknowledges and agrees that the restrictions contained in this Section 10 will not pose an undue hardship on Executive or Executive's ability to find gainful employment. For purposes of this Section 10, the term "Company" means Kohl's Department Stores, Inc. and its parent companies, subsidiaries and other affiliates.

B. Restricted Services Obligation. During the Initial Term and the Renewal Term and for the one (1) year period following termination, for whatever reason, of Executive's employment with the Company, Executive will not, directly or indirectly, provide Restricted Services (defined below) for or on behalf of any Competitive Business (defined below) or directly or indirectly, provide any Competitive Business with any advice or counsel in the nature of the Restricted Services.

C. Definitions. For purposes of this Section 10, the following are defined terms:

(i) Restricted Services. "Restricted Services" shall mean services of any kind or character comparable to those Executive provided to the Company during the eighteen (18) month period immediately preceding Executive's last date of employment with the Company.

(ii) Competitive Business. "Competitive Business" shall mean each of the following entities: J.C. Penney Company, Inc., Macy's, Inc., The Gap, Inc., Target Corporation, Sears Holdings Corporation, and any successors, subsidiaries or affiliates of these entities engaged in the operation of national retail department stores.

11. COOPERATION. Following the Retirement Date, Executive agrees to take all reasonable steps to make himself/herself available to and to cooperate with the Company, at its request, in connection with any legal proceedings or other matters in which it is or may become involved. Company agrees to pay reasonable compensation to Executive and to pay all reasonable expenses incurred by Executive in connection with Executive's obligations under this Section 11.

12. NO MODIFICATION. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and such officer as may be specifically designated by Company.

13. FEES AND EXPENSES. Each party hereto shall be solely responsible for its own legal, accounting and other professional fees and other expenses incurred in connection with the negotiation, preparation and exercising of this Agreement and the consummation of the transactions contemplated hereby.

14. GOVERNING LAW, SUCCESSORS AND ASSIGNS. This Agreement shall be governed and construed in accordance with the laws of Wisconsin without reference to the rules of conflict of law and shall be binding upon the parties hereto and their respective successors and assigns. Any action brought hereunder shall be prosecuted in the United States District Court for the Eastern District of Wisconsin or the Circuit Court of Waukesha County, Wisconsin.

15. SEVERABILITY. If any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, this Agreement shall be construed with the invalid or inoperative provisions deleted, and the rights and obligations of the parties shall be construed and enforced accordingly, provided that this provision shall not be construed to contemplate or permit restructuring of any restrictive covenant contained herein.

16. REMEDIES. Executive expressly acknowledges and agrees that a violation of any of the covenants set forth in this Agreement will cause immediate and irreparable harm to the Company, and that if Executive shall engage in any acts in violation of this Agreement, Company shall be entitled, in addition to such other remedies and monetary damages as may be available to it, to an injunction prohibiting Executive from engaging in any such acts. Nothing in this paragraph shall be construed to prohibit Company from availing itself of any other remedy and the parties agree that all remedies available to Company are cumulative.

17. NOTICES. Any and all notices, consents, documents or communications provided for in this Agreement shall be given in writing and shall be personally delivered, mailed by registered or certified mail (return receipt requested) or sent by courier, confirmed by receipt, and addressed as follows (or to such other address as the addressed party may have substituted by notice pursuant to this Section 17):

If to the Company:
Kohl’s Department Stores, Inc.
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051
Attn: Richard D. Schepp, Sr. Executive Vice President

If to Executive:
Any notice to be given to the Executive may be addressed to his at the address as it appears on the payroll records of the Company or any subsidiary thereof.

Such notice, consent, document or communication shall be deemed given upon personal delivery or receipt at the address of the party stated above or at any other address specified by such party to the other party in writing, except that if delivery is refused or cannot be made for any reason, then such notice shall be deemed given on the third day after it is sent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last day, month and year below written.

KOHL'S DEPARTMENT STORES, INC.

By: /s/ Richard D. Schepp 04/16/2015
Richard D. Schepp Date
Senior Executive Vice President

EXECUTIVE

_/s/ Ken Bonning____________ 04/16/2015
Ken Bonning Date

EXHIBIT A
ACCELERATED OPTIONS*

Grant #	Shares	Strike Price	Originally Scheduled Vest Date
3232	5,120	$45.54	04/01/2016
2383	8,568	$48.48	03/26/2016

* In accordance with Section 2(C)(i) of this Agreement, vesting of these stock options will occur on the Retirement Date. Executive shall have until 3:00 pm Central Time on May 16, 2016 to exercise these and any other vested and unexpired options he may hold, at which time all such options shall be cancelled, null and void. With the exception of this accelerated vesting, all options are subject to the terms and conditions (including expiration dates) of the applicable Long-Term Incentive Plan and the Award Agreement pursuant to which the award was made.

EXHIBIT B
ACCELERATED RESTRICTED STOCK*

Grant #	Grant Date	Originally Scheduled Vest Date	# of Shares Subject to Accelerated Vesting
3480	03/31/2014	03/31/2016	10,029
3418	01/13/2014	01/13/2016	1,934
1966	03/26/2012	03/26/2016	2,238
1710	05/15/2011	05/15/2016	20,093
1547	03/28/2011	03/28/2016	2,677
Subtotal			36,971

* In accordance with Section 2(C)(iii) of this Agreement, vesting of these shares will occur on the Retirement Date. On that date or as soon as practicable thereafter, Company shall release the Accelerated Restricted Stock to Executive, net of the shares required to satisfy Executive's tax withholding obligations. All of Executive's other unvested restricted stock shall, as of the Retirement Date, be immediately cancelled, null and void. With the exception of this accelerated vesting, all restricted stock is subject to the terms and conditions of the applicable Long-Term Incentive Plan and the Award Agreement pursuant to which the award was made.

Exhibit 12.1

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

	Three Months Ended	
	May 2, 2015	**May 3, 2014**
Earnings		
Income before income taxes	**$ 196**	$ 195
Fixed charges	**130**	131
Less: interest capitalized during period	**—**	(1)
	$ 326	$ 325
Fixed charges		
Interest (expensed or capitalized)	**$ 84**	$ 86
Portion of rent expense representative of interest	**45**	44
Amortization of deferred financing fees	**1**	1
	$ 130	$ 131
Ratio of earnings to fixed charges	**2.5**	2.5

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Mansell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

Dated: June 5, 2015

/s/ Kevin Mansell

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

Exhibit 31.2

CERTIFICATION OF 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 Quarterly Report on Form 10-Q 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.

Dated: June 5, 2015

/s/ Wesley S. McDonald

Wesley S. McDonald
Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

Exhibit 32.1

CERTIFICATION OF PERIODIC REPORT
BY CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Mansell, 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 the undersigned's knowledge, on the date of this Certification:

1. This Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 2, 2015 (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: June 5, 2015

/s/ Kevin Mansell

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

Exhibit 32.2

CERTIFICATION OF PERIODIC REPORT
BY CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Wes 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 the undersigned's knowledge, on the date of this Certification:

1. This Quarterly Report on Form 10-Q of the Company for the quarterly period ended May 2, 2015 (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: June 5, 2015

/s/ Wesley S. McDonald

Wesley S. McDonald

Senior Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)