Report of Organizational Actions Affecting Basis of Securities

Part I  Reporting Issuer

1 Issuer's name
Nathan's Famous, Inc.

2 Issuer's employer identification number (EIN)
11-3166443

3 Name of contact for additional information
Ronald G. DeVos

4 Telephone No. of contact
516-339-8500

5 Email address of contact
investorrelations@nathansfamous.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact
One Jericho Plaza, Second Floor - Wing A

7 City, town, or post office, state, and ZIP code of contact
Jericho, NY 11753

8 Date of action
January 4, 2018

9 Classification and description

10 CUSIP number
632347100

11 Serial number(s)
NATH

12 Ticker symbol

13 Account number(s)

Part II  Organizational Action

Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action

On January 4, 2018, Nathan's Famous, Inc. ("NFI") made a special cash distribution to shareholders of $5.00 per share.

This amount is in excess of its current and accumulated earnings and profits.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis

NFI has determined that 56.6585% or $2.83 per share of the special distribution is taxable as a dividend and the remainder of 43.3415% or $2.17 per share is a non-dividend distribution. The non-dividend distribution will be applied as a reduction of the shareholder's basis in their NFI stock. Any amount in excess of basis will be taxable to the shareholder as a capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates

NFI has calculated its earnings and profits under Internal Revenue Code ("IRC") Section 312. NFI has determined that 56.6585% or $2.83 per share of the special distribution will be taxable as a dividend and the remainder of 43.3415% or $2.17 per share as a reduction in basis or a capital gain, as discussed above.
Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based: Distributions to shareholders are reportable as taxable dividends to the extent of the corporation's earnings and profits under IRC Section 301(c)(1) and in accordance with IRC Section 316. If a distribution exceeds the corporation's current and accumulated earnings and profits as computed under IRC Section 312, shareholders must apply the rules of IRC Section 301(c) to determine if the distribution is a non-taxable return of capital and reduction of basis under IRC Section 301(c)(2) or as a capital gain under IRC Section 301(c)(3). NFI has determined its current and accumulated earnings and profits in accordance with the principles of IRC Section 312.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year: The reportable year to the recipients is December 31, 2018.

Sign Here

Print your name ▶ Ronald G. DeVos
Print/Type preparer's name
Preparer's name
Preparer's signature

Date ▶ 1/3/19
Check □ self-employed
PTIN P00025774

Firm's name ▶ Raich Ende Malter & Co. LLP
Firm's name
Firm's address ▶ 175 Broadhollow Road, Melville, NY 11747
Firm's address
Phone no. ▶ 516-228-9000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054