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 **June 28, 2026.**

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. 001-35962

NATHAN'S FAMOUS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**11-3166443**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Jericho Plaza, Jericho, New York	**11753**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **516-338-8500**

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	NATH	The NASDAQ Global Market

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

At August 3, 2026, an aggregate of 4,097,661 shares of the registrant's common stock, par value of $.01, were outstanding.

NATHAN'S FAMOUS, INC. AND SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

Nathan's Famous, Inc. and Subsidiaries
CONDENSED CONSOLIDATED BALANCE SHEETS
June 28, 2026 and March 29, 2026
(in thousands, except share and per share amounts)

	June 28, 2026 (Unaudited)	March 29, 2026
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note E)	**$ 24,686**	$ 24,404
Accounts and other receivables, net (Note G)	**31,277**	19,841
Inventories	**1,399**	891
Prepaid expenses and other current assets (Note H)	**1,443**	1,984
Total current assets	**58,805**	47,120
Property and equipment, net of accumulated depreciation of $12,420 and $12,225, respectively	**1,605**	1,733
Operating lease right-of-use assets, net (Note Q)	**3,260**	3,672
Goodwill	**95**	95
Intangible asset, net (Note I)	**304**	348
Deferred income taxes	**627**	598
Other assets	**91**	85
Total assets	**$ 64,787**	$ 53,651
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Current portion of long-term debt (Note P)	**$ 2,400**	$ 2,400
Accounts payable	**10,605**	7,904
Accrued expenses and other current liabilities (Note K)	**8,913**	6,466
Current portion of operating lease liabilities (Note Q)	**1,944**	1,940
Deferred franchise fees	**179**	192
Total current liabilities	**24,041**	18,902
Long-term debt, net of unamortized debt issuance costs of $239 and $257, respectively (Note P)	**45,161**	45,743
Long-term portion of operating lease liabilities (Note Q)	**1,510**	2,003
Other liabilities	**741**	717
Deferred franchise fees	**496**	509
Total liabilities	**71,949**	67,874
COMMITMENTS AND CONTINGENCIES (Note R)		
STOCKHOLDERS' DEFICIT		
Common stock, $.01 par value; 30,000,000 shares authorized; 9,387,176 and 9,383,920 shares issued; and 4,097,661 and 4,094,405 shares outstanding at June 28, 2026 and March 29, 2026, respectively	**94**	94
Additional paid-in capital	**64,445**	64,165
Retained earnings	**14,961**	8,180
Stockholders' equity before treasury stock	**79,500**	72,439
Treasury stock, at cost, 5,289,515 shares at June 28, 2026 and March 29, 2026	**(86,662)**	(86,662)
Total stockholders' deficit	**(7,162)**	(14,223)
Total liabilities and stockholders' deficit	**$ 64,787**	$ 53,651

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
Thirteen weeks ended June 28, 2026 and June 29, 2025
(in thousands, except per share amounts)
(Unaudited)

	June 28, 2026	June 29, 2025
REVENUES		
Branded Products	**$ 35,039**	$ 29,075
Company-owned restaurants	**3,951**	3,986
License royalties	**13,587**	12,381
Franchise fees and royalties	**1,074**	1,129
Advertising fund revenue	**411**	427
Total revenues	**54,062**	46,998
COSTS AND EXPENSES		
Cost of sales	**35,205**	28,423
Restaurant operating expenses	**1,216**	1,179
Depreciation and amortization	**239**	228
General and administrative expenses	**4,323**	3,950
Advertising fund expense	**411**	427
Total costs and expenses	**41,394**	34,207
Income from operations	**12,668**	12,791
Interest expense	**(638)**	(758)
Interest and dividend income	**133**	203
Other income, net	**-**	21
Income before provision for income taxes	**12,163**	12,257
Provision for income taxes	**3,334**	3,329
Net income	**$ 8,829**	$ 8,928
PER SHARE INFORMATION		
Weighted average shares used in computing net income per share:		
Basic	**4,095**	4,089
Diluted	**4,129**	4,124
Net income per share:		
Basic	**$ 2.16**	$ 2.18
Diluted	**$ 2.14**	$ 2.16

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
Thirteen weeks ended June 28, 2026 and June 29, 2025
(in thousands, except share and per share amounts)
(Unaudited)

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock, at Cost Shares	Treasury Stock, at Cost Amount	Total Stockholders' Deficit
Balance, March 29, 2026	**9,383,920**	**$ 94**	**$ 64,165**	**$ 8,180**	**5,289,515**	**$ (86,662)**	**$ (14,223)**
Shares issued in connection with share-based compensation plans	**3,256**	**-**	**-**	**-**	**-**	**-**	**-**
Dividends on common stock ($0.50 per share)	**-**	**-**	**-**	**(2,048)**	**-**	**-**	**(2,048)**
Share-based compensation	**-**	**-**	**280**	**-**	**-**	**-**	**280**
Net income	**-**	**-**	**-**	**8,829**	**-**	**-**	**8,829**
Balance, June 28, 2026	**9,387,176**	**$ 94**	**$ 64,445**	**$ 14,961**	**5,289,515**	**$ (86,662)**	**$ (7,162)**

	Common Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock, at Cost Shares	Treasury Stock, at Cost Amount	Total Stockholders' Deficit
Balance, March 30, 2025	9,379,025	$ 94	$ 63,492	$ 6,563	5,289,515	$ (86,662)	$ (16,513)
Dividends on common stock ($0.50 per share)	-	-	-	(2,045)	-	-	(2,045)
Share-based compensation	-	-	288	-	-	-	288
Net income	-	-	-	8,928	-	-	8,928
Balance, June 29, 2025	9,379,025	$ 94	$ 63,780	$ 13,446	5,289,515	$ (86,662)	$ (9,342)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Nathan's Famous, Inc. and Subsidiaries
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Thirteen weeks ended June 28, 2026 and June 29, 2025
(in thousands, except per share amounts)
(Unaudited)

	June 28, 2026	June 29, 2025
Cash flows from operating activities:		
Net income	**$ 8,829**	$ 8,928
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	**239**	228
Amortization of debt issuance costs	**18**	19
Share-based compensation expense	**280**	288
Provision for expected credit losses	**57**	63
Deferred income taxes	**(29)**	(31)
Changes in operating assets and liabilities:		
Accounts and other receivables, net	**(11,493)**	(12,273)
Inventories	**(508)**	321
Prepaid expenses and other current assets	**541**	576
Other assets	**(6)**	7
Operating lease assets and liabilities	**(77)**	(71)
Accounts payable, accrued expenses and other current liabilities	**3,100**	1,747
Deferred franchise fees	**(26)**	(88)
Other liabilities	**24**	66
Net cash provided by (used in) operating activities	**949**	(220)
Cash flows from investing activities:		
Purchase of property and equipment	**(67)**	(115)
Net cash used in investing activities	**(67)**	(115)
Cash flows from financing activities:		
Repayment of Credit Facility	**(600)**	(600)
Net cash used in financing activities	**(600)**	(600)
Net increase (decrease) in cash and cash equivalents	**282**	(935)
Cash and cash equivalents, beginning of period	**24,404**	27,802
Cash and cash equivalents, end of period	**$ 24,686**	$ 26,867
Cash paid during the period for:		
Interest	**$ 649**	$ 774
Income taxes	**$ 222**	$ 103

See Note S for supplemental cash flow information.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

NOTE A - BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements of Nathan's Famous, Inc. and subsidiaries (collectively “Nathan’s,” the “Company,” “we,” “us” or “our”) as of and for the thirteen week periods ended June 28, 2026 and June 29, 2025 have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The unaudited condensed consolidated financial statements include all adjustments (consisting of normal recurring adjustments) which, in the opinion of management, are necessary for a fair presentation of financial condition, results of operations and cash flows for the periods presented. However, our results of operations are seasonal in nature, and the results of any interim period are not necessarily indicative of results for any other interim period or the full fiscal year.

The Company uses a 52-53 week fiscal year ending on the Sunday closest to March 31. The 2027 fiscal year will end on March 28, 2027 and will contain 52 weeks.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been omitted pursuant to the requirements of the U.S. Securities and Exchange Commission (“SEC”).

Management believes that the disclosures included in the accompanying condensed consolidated interim financial statements and footnotes are adequate to make the information not misleading but should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in Nathan’s Annual Report on Form 10-K for the fiscal year ended March 29, 2026 as filed with the SEC on June 9, 2026.

Our significant interim accounting policies include the recognition of advertising fund expense in proportion to advertising fund revenue, and the recognition of income taxes using an estimated annual effective tax rate.

A summary of the Company’s significant accounting policies is identified in Note B of the Notes to Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended March 29, 2026.

Pending Merger with Smithfield Foods, Inc.

On January 20, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Smithfield Foods, Inc., a Virginia corporation (“Buyer”), and Boardwalk Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Buyer (“Merger Sub”). Pursuant to the Merger Agreement, and subject to the satisfaction of the conditions thereof, Merger Sub shall merge with and into the Company (the “Merger” and the effective time of the Merger, the “Effective Time”). As a result of the Merger, at the Effective Time, the separate corporate existence of the Merger Sub shall cease, the Company shall continue as the surviving corporation in the Merger (the “Surviving Corporation”) and the Surviving Corporation shall become a wholly owned subsidiary of the Buyer. See NOTE T – MERGER for additional information.

NOTE B – NEW ACCOUNTING STANDARDS NOT YET ADOPTED

In November 2024, the FASB issued ASU 2024-03, “*Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*”, which requires the disaggregation of certain expenses in the notes to the financial statements, to provide enhanced transparency into the expense captions presented on the face of the statements of earnings. Additionally, in January 2025, the FASB issued ASU 2025-01, “*Income Statement Reporting Comprehensive Income Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*”, which clarified the effective date for non-calendar year-end entities such as us. The guidance is effective for the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this Update should be applied either (1) prospectively to financial statements for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements. For the Company, annual reporting requirements will be effective for our fiscal year 2028 beginning on March 29, 2027 and interim reporting requirements will be effective beginning with our first quarter of fiscal year 2029. The Company is currently evaluating the impact that the new guidance will have on our consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, "*Interim Reporting (Topic 270): Narrow-Scope Improvements,*" which clarifies the applicability of the interim reporting guidance and provides a comprehensive list of required interim disclosures. The Update also incorporates a disclosure principle that requires entities to disclose events that occur since the end of the last annual reporting period that have a material impact on the entity. The Update will be effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Update should be applied either (1) prospectively to financial statements for reporting periods after the effective date or (2) retrospectively to any or all prior periods presented in the financial statements. For the Company, interim reporting requirements will be effective with our first quarter of fiscal year 2029. The Company is currently evaluating the impact that the new guidance will have on our consolidated financial statements.

The Company does not believe that any recently issued, but not yet effective accounting standards, when adopted, will have a material effect on the accompanying condensed consolidated financial statements.

NOTE C – REVENUES

The Company's disaggregated revenues for the thirteen weeks ended June 28, 2026 and June 29, 2025 are as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Branded Products	**$ 35,039**	$ 29,075
Company-owned restaurants	**3,951**	3,986
License royalties	**13,587**	12,381
Franchise royalties	**1,020**	1,001
Franchise fees	**54**	128
Advertising fund revenue	**411**	427
Total revenues	**$ 54,062**	$ 46,998

The following table disaggregates revenues by primary geographical market (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
United States	**$ 52,844**	$ 46,039
International	**1,218**	959
Total revenues	**$ 54,062**	$ 46,998

Contract balances

The following table provides information about contract liabilities from contracts with customers (in thousands):

	June 28, 2026	March 29, 2026
Deferred franchise fees (a)	**$ 675**	$ 701
Deferred revenues, which are included in "Accrued expenses and other current liabilities" (b)	**$ 608**	$ 1,315

(a) Deferred franchise fees of $179 and 496 as of June 28, 2026 and $192 and $509 as of March 29, 2026 are included in Deferred franchise fees – current and long term, respectively.
(b) Includes $358 of deferred license royalties and $250 of deferred advertising fund revenue as of June 28, 2026 and $815 of deferred license royalties and $500 of deferred advertising fund revenue as of March 29, 2026.

Significant changes in deferred franchise fees are as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Deferred franchise fees at beginning of period	**$ 701**	$ 1,006
New deferrals due to cash received and other	**28**	40
Revenue recognized during the period	**(54)**	(128)
Deferred franchise fees at end of period	**$ 675**	$ 918

Significant changes in deferred revenues are as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Deferred revenues at beginning of period	**$ 1,315**	$ 1,392
New deferrals due to cash received and other	**-**	-
Revenue recognized during the period	**(707)**	(645)
Deferred revenues at end of period	**$ 608**	$ 747

Anticipated future recognition of deferred franchise fees

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period (in thousands):

	Estimate for fiscal year
2027(a)	**$ 151**
2028	**107**
2029	**80**
2030	**61**
2031	**44**
Thereafter	**232**
Total	**$ 675**

(a) Represents franchise fees expected to be recognized for the remainder of the 2027 fiscal year, which includes international development fees expected to be recognized over the duration of one year or less. Amount does not include $54 of franchise fee revenue recognized for the thirteen weeks ended June 28, 2026.

We have applied the optional exemption, as provided for under Topic 606 "*Revenues from Contracts with Customers,*" which allows us to not disclose the transaction price allocated to unsatisfied performance obligations when the transaction price is a sales-based royalty.

NOTE D – INCOME PER SHARE

Basic net income per common share is calculated by dividing net income by the weighted average number of common shares outstanding and excludes any dilutive effect of share-based awards. Diluted net income per common share gives effect to all potentially dilutive common shares that were outstanding during the period. Dilutive common shares used in the computation of diluted net income per common share result from the assumed exercise of stock options as determined using the treasury stock method and restricted stock unit awards.

The following chart provides a reconciliation of information used in calculating the per-share amounts for the thirteen week periods ended June 28, 2026 and June 29, 2025, respectively (in thousands, except share and per share amounts):

	June 28, 2026	June 29, 2025
Net income	**$ 8,829**	$ 8,928
Common Stock:		
Weighted average basic shares outstanding	**4,095,000**	4,089,000
Effect of dilutive share-based awards	**34,000**	35,000
Weighted average diluted shares outstanding	**4,129,000**	4,124,000
Net income per share:		
Basic	**$ 2.16**	$ 2.18
Diluted	**$ 2.14**	$ 2.16

There were no anti-dilutive share-based awards for the thirteen week periods ended June 28, 2026 and June 29, 2025.

NOTE E – CASH AND CASH EQUIVALENTS

Cash and cash equivalents principally consist of cash in bank accounts, money market accounts and money market funds. The Company considers money market accounts and money market funds to be cash equivalents. Cash equivalents were $17,087 and $17,703 at June 28, 2026 and March 29, 2026, respectively.

At June 28, 2026 and March 29, 2026, substantially all of the Company's cash balances are in excess of insurance limits of the Federal Deposit Insurance Corporation, or the FDIC. The Company has not experienced any losses in such accounts.

NOTE F – FAIR VALUE MEASUREMENTS

Nathan's follows a three-level fair value hierarchy that prioritizes the inputs to measure fair value. This hierarchy requires entities to maximize the use of "observable inputs" and minimize the use of "unobservable inputs." The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels are defined as follows:

- Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market
- Level 2 - inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are observable for substantially the full term of the asset or liability
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement of the asset or liability and reflect the Company's own assumptions

The carrying amounts reported in the Company's Condensed Consolidated Balance Sheets for cash and cash equivalents, accounts receivable and accounts payable approximate fair value due to the short-term nature of those items.

The carrying amount of our long-term debt (see Note P – LONG-TERM DEBT) also approximates fair value since such borrowings bear interest at variable market rates and is categorized as Level 2.

Certain non-financial assets and liabilities are measured at fair value on a non-recurring basis; that is, the assets and liabilities are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances, such as when evidence of impairment exists. At June 28, 2026, no fair value adjustment or material fair value measurements were required for non-financial assets or liabilities.

NOTE G – ACCOUNTS AND OTHER RECEIVABLES, NET

Accounts and other receivables, net, consist of the following (in thousands):

	June 28, 2026	March 29, 2026
Branded product sales	**$ 20,093**	$ 16,274
Franchise and license royalties	**11,128**	4,153
Other	**821**	191
	32,042	20,618
Less: allowance for credit losses	**(765)**	(777)
Accounts and other receivables, net	**$ 31,277**	$ 19,841

Our provision for credit losses is based on the current expected credit losses model. The Company is exposed to credit losses through its trade accounts receivable. Trade accounts receivable are generally due within 30 days and are stated at amounts due from franchisees, including virtual kitchens, retail licensees and Branded Product Program customers, net of an allowance for credit losses. Accounts that are outstanding longer than the contractual payment terms are generally considered past due.

An allowance for credit losses is determined by pooling financial assets based on similar risk characteristics and delinquency status under an aging method at the measurement date. The Company considers both qualitative and quantitative information when developing the estimate including assessments of collectability based on historical trends, the financial condition of the Company's franchisees, licensees and Branded Product Program customers, including any known or anticipated bankruptcies, and an evaluation of current economic conditions as well as the Company's expectations of conditions in the future.

The Company provides for expected credit losses through a charge to earnings. After the Company has used reasonable collection efforts, it writes off accounts receivable through a charge to the allowance for credit losses.

Changes in the Company’s allowance for credit losses for the thirteen week period ended June 28, 2026 and the fiscal year ended March 29, 2026 are as follows (in thousands):

	June 28, 2026	March 29, 2026
Beginning balance	**$ 777**	$ 642
Provision for expected credit losses	**57**	129
Write offs and recoveries	**(69)**	6
Ending balance	**$ 765**	$ 777

NOTE H – PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following (in thousands):

	June 28, 2026	March 29, 2026
Income taxes	**$ -**	$ 210
Real estate taxes	**173**	81
Insurance	**354**	376
Marketing	**627**	925
Other	**289**	392
Total prepaid expenses and other current assets	**$ 1,443**	$ 1,984

NOTE I - INTANGIBLE ASSET

The Company’s definite-lived intangible asset consists of trademarks, and the trade name and other intellectual property in connection with its Arthur Treacher’s co-branding agreements. Based upon review of the current Arthur Treacher’s co-branding agreements, the Company determined that the remaining useful lives of these agreements is two years concluding in fiscal year 2028, and the intangible asset is subject to annual amortization. The Company performs an annual impairment test, or more frequently if events or changes in circumstances indicate that the intangible asset may be impaired. The Company tests for recoverability of its definite-lived intangible asset based on the projected undiscounted cash flows to be derived from such co-branding agreements. Cash flow projections require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record an impairment charge in future periods and such impairment could be material.

There have been no significant events or changes in circumstances during the thirteen weeks ended June 28, 2026 that would indicate that the carrying amount of the Company’s intangible asset may be impaired as of June 28, 2026.

NOTE J - LONG LIVED ASSETS

Long-lived assets on a restaurant-by-restaurant basis are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Long-lived assets include property, equipment and right-of-use assets for operating leases with finite useful lives. Assets are grouped at the individual restaurant level, which represents the lowest level for which cash flows can be identified largely independent of the cash flows of other assets and liabilities. The Company generally considers a history of restaurant operating losses to be its primary indicator of potential impairment for individual restaurant locations.

The Company tests for recoverability based on the projected undiscounted cash flows to be derived from such assets. If the projected undiscounted future cash flows are less than the carrying value of the asset, the Company will record on a restaurant-by-restaurant basis, an impairment loss, if any, based on the difference between the estimated fair value and the carrying value of the asset. The Company generally measures fair value by considering discounted estimated future cash flows from such assets. Cash flow projections and fair value estimates require significant estimates and assumptions by management. Should the estimates and assumptions prove to be incorrect, the Company may be required to record impairment charges in future periods and such impairments could be material.

There have been no significant events or changes in circumstances during the thirteen weeks ended June 28, 2026 that would indicate that the carrying amount of the Company's long-lived assets may be impaired as of June 28, 2026.

NOTE K – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following (in thousands):

	June 28, 2026	March 29, 2026
Dividend payable	**$ 2,048**	$ -
Payroll and other benefits	**1,437**	3,285
Accrued rebates	**1,307**	1,130
Rent and occupancy costs	**43**	26
Deferred revenue	**608**	1,315
Interest	**21**	49
Professional fees	**56**	183
Merger costs	**123**	163
Sales, use and other taxes	**68**	11
Corporate income taxes	**2,906**	-
Other	**296**	304
Total accrued expenses and other current liabilities	**$ 8,913**	$ 6,466

NOTE L – INCOME TAXES

The effective income tax rates for the thirteen weeks ended June 28, 2026 and June 29, 2025 were 27.4% and 27.2%, respectively. The effective income tax rate for the thirteen weeks ended June 28, 2026 reflected $3,334 of income tax expense recorded on $12,163 of pre-tax income. The effective income tax rate for the thirteen weeks ended June 29, 2025 reflected $3,329 of income tax expense recorded on $12,257 of pre-tax income. The effective tax rates are higher than the United States Federal statutory rates primarily due to state and local taxes, as well as non-deductible compensation under the Internal Revenue Code Section 162(m). The effective income tax rate for the thirteen weeks ended June 28, 2026 included an unfavorable discrete tax adjustment of 0.6% for non-deductible transaction costs offset, in part, by a favorable discrete tax adjustment of 0.4% for stock compensation activity.

The amount of unrecognized tax benefits included in Other liabilities at June 28, 2026 and March 29, 2026 was $375 and $362, respectively, all of which would impact the Company's effective rate, if recognized. As of June 28, 2026 and March 29, 2026, the Company had approximately $372 and $355, respectively, of accrued interest and penalties in connection with unrecognized tax benefits.

The American Rescue Plan Act ("ARPA"), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective tax years starting after December 31, 2026 (March 29, 2027 for the Company), ARPA expands the limitation to cover the next five most highly compensated employees. We continue to evaluate the potential impact ARPA may have on our operations and consolidated financial statements in future periods.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act ("OBBBA"). The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, and the business interest expense limitation. The OBBBA did not have a material impact to our provision for income taxes for the thirteen weeks ended June 28, 2026. The Company is continuing to evaluate the full year impact of the OBBBA and, based on our preliminary analysis, we do not anticipate a material effect on our consolidated financial statements for the fiscal year ending March 28, 2027.

NOTE M – SEGMENT INFORMATION

Nathan's considers itself to be a brand marketer of the Nathan's Famous signature products to the foodservice industry pursuant to its various business structures. Nathan's sells its products directly to consumers through its Restaurant Operations segment consisting of Company-owned and franchised restaurants, including virtual kitchens; to distributors that resell our products to the foodservice industry through the Branded Product Program; and by third party manufacturers pursuant to license agreements that sell our products to supermarkets, club stores and grocery stores nationwide.

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM") who regularly reviews operating results, evaluates performance and allocates resources for the Branded Product Program, Product Licensing and Restaurant Operations segments based upon a number of factors, the primary profit measure being income from operations as reported on the Condensed Consolidated Statement of Earnings. The CODM regularly reviews revenues, gross profit and income from operations by segment when evaluating the financial performance of each segment. Significant segment expenses are monitored by the CODM and included in the tables below. Segment asset information is not used by the CODM to assess performance and allocate resources and therefore is not presented. Certain administrative expenses are not allocated to the segments and are reported within the Corporate segment.

Branded Product Program – This segment derives revenue principally from the sale of hot dog products either directly to foodservice operators or to various foodservice distributors who resell the products to foodservice operators.

Product licensing – This segment derives revenue, primarily in the form of royalties, from licensing a broad variety of Nathan's Famous branded products, including our hot dogs, frozen crinkle-cut French fries and additional products through retail supermarkets, grocery channels and club stores throughout the United States.

Restaurant operations – This segment derives revenue from the sale of our products at Company-owned restaurants and earns fees and royalties from its franchised restaurants, including its virtual kitchens.

Revenues from operating segments are from transactions with unaffiliated third parties and do not include any intersegment revenues.

Interest expense, interest and dividend income, and other income, net are managed centrally at the corporate level, and, accordingly, such items are not presented by segment since they are excluded from the measure of profitability reviewed by the CODM.

The following tables summarize segment information and reconcile our segment results to our consolidated results as reported on our Condensed Consolidated Statements of Earnings (in thousands):

June 28, 2026	Branded Product Program	Product Licensing	Restaurant Operations	Corporate	Total
Revenues	**35,039**	**13,587**	**5,025**	**411**	**54,062**
Less:					
Cost of sales	**33,087**	**-**	**2,118**	**-**	**35,205**
Segment gross profit	**1,952**	**13,587**	**2,907**	**411**	**18,857**
Less (1):					
Restaurant operating expenses (2)	**-**	**-**	**1,216**	**-**	**1,216**
Department expenses (3)	**275**	**46**	**184**	**118**	**623**
Other general and administration expenses (4)	**-**	**-**	**-**	**2,013**	**2,013**
Payroll expense	**317**	**-**	**418**	**952**	**1,687**
Depreciation and amortization	**30**	**-**	**169**	**40**	**239**
Advertising fund expense	**-**	**-**	**-**	**411**	**411**
Income from operations	**1,330**	**13,541**	**920**	**(3,123)**	**12,668**
Interest expense	**-**	**-**	**-**	**(638)**	**(638)**
Interest and dividend income	**-**	**-**	**-**	**133**	**133**
Other income, net	**-**	**-**	**-**	**-**	**-**
Income before provision for income taxes	**1,330**	**13,541**	**920**	**(3,628)**	**12,163**

June 29, 2025	Branded Product Program	Product Licensing	Restaurant Operations	Corporate	Total
Revenues	29,075	12,381	5,115	427	46,998
Less:					
Cost of sales	26,233	-	2,190	-	28,423
Segment gross profit	2,842	12,381	2,925	427	18,575
Less (1):					
Restaurant operating expenses (2)	-	-	1,179	-	1,179
Department expenses (3)	228	46	154	95	523
Other general and administration expenses (4)	-	-	-	1,841	1,841
Payroll expense	304	-	367	915	1,586
Depreciation and amortization	34	-	157	37	228
Advertising fund expense	-	-	-	427	427
Income from operations	2,276	12,335	1,068	(2,888)	12,791
Interest expense	-	-	-	(758)	(758)
Interest and dividend income	-	-	-	203	203
Other income, net	-	-	21	-	21
Income before provision for income taxes	2,276	12,335	1,089	(3,443)	12,257

(1) The significant expense categories and amounts align with segment-level information that is regularly provided to the CODM.
(2) Includes occupancy expenses, insurance expenses, utility costs, repair and maintenance expense and other Company-owned restaurant expenses.
(3) Includes travel expense, marketing and trade show expense and certain other overhead expenses.
(4) Includes incentive compensation expense, share-based compensation expense, professional fees, occupancy expenses, provision for credit losses and certain other overhead expenses.

NOTE N – SHARE-BASED COMPENSATION

Total share-based compensation expense during the thirteen week periods ended June 28, 2026 and June 29, 2025 was $280 and $288, respectively. Total share-based compensation expense is included in general and administrative expenses in our accompanying Condensed Consolidated Statements of Earnings. As of June 28, 2026, there was $1,869 of unamortized compensation expense related to share-based awards. We expect to recognize this expense over approximately 24 months, which represents the weighted average remaining requisite service periods for such awards.

The Company recognizes compensation expense for unvested share-based awards on a straight-line basis over the requisite service period. Compensation expense recognized under all share-based awards is as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Stock options	**$ 111**	$ 119
Restricted stock units	**169**	169
Total compensation cost	**$ 280**	$ 288

Stock options:

There were no new share-based awards granted during the thirteen week period ended June 28, 2026.

Transactions with respect to stock options for the thirteen weeks ended June 28, 2026 are as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Options outstanding at March 29, 2026	130,000	$ 74.28	3.08	$ 3,432
Granted	-	-	-	-
Exercised	10,000	$ 68.50	-	$ 331
Options outstanding at June 28, 2026	120,000	$ 74.76	3.06	$ 3,278
Options exercisable at June 28, 2026	32,500	$ 75.01	2.99	$ 880

Restricted stock units:

Transactions with respect to restricted stock units for the thirteen weeks ended June 28, 2026 are as follows:

	Shares	Weighted Average Grant-date Fair value Per share
Unvested restricted stock units at March 29, 2026	20,000	$ 67.59
Granted	-	-
Vested	-	-
Unvested restricted stock units at June 28, 2026	20,000	$ 67.59

NOTE O – STOCKHOLDERS' EQUITY

1. *Dividends*

Effective June 9, 2026, as permitted under the Merger Agreement, the Board of Directors (the "Board") declared its regular quarterly cash dividend of $0.50 per share for fiscal 2027, which was paid on June 30, 2026 to stockholders of record as of the close of business on June 22, 2026 (the "June 2026 Regular Cash Dividend"). After the payment of the June 2026 Regular Cash Dividend, the Company is no longer permitted to declare and pay any further dividends under the Merger Agreement.

2. *Stock Repurchase Programs*

In 2016, the Board authorized increases to the sixth stock repurchase plan for the purchase of up to 1,200,000 shares of its common stock on behalf of the Company. As of June 28, 2026, Nathan's had repurchased 1,101,884 shares at a cost of $39,000 under the sixth stock repurchase plan. At June 28, 2026 there were 98,116 shares remaining to be repurchased pursuant to the sixth stock repurchase plan. The plan does not have a set expiration date. Purchases under the Company's stock repurchase program may be made from time to time, depending on market conditions, in open market or privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases.

NOTE P – LONG-TERM DEBT

Long-term debt consists of the following (in thousands):

	June 28, 2026	March 29, 2026
SOFR Term Loan Borrowings with an effective interest rate of 5.152% and 5.175% at June 28, 2026 and March 29, 2026, respectively	$ **47,800**	$ 48,400
Less: unamortized debt issuance costs	**(239)**	(257)
Total debt, net of debt issuance costs	**47,561**	48,143
Less: current portion of long-term debt	**(2,400)**	(2,400)
Long-term debt, net	**$ 45,161**	$ 45,743

The Company's mandatory debt principal repayments as of June 28, 2026 were as follows (in thousands):

Fiscal Year	Amount
Remainder of 2027	1,800
2028	2,400
2029	2,400
2030	41,200
Total	$ 47,800

Total debt repayments through 2030 exceed the total carrying amount of the Company's debt as of June 28, 2026 because the carrying amount reflects the unamortized portion of debt issuance costs.

On July 10, 2024 (the "Effective Date"), the Company entered into a five-year unsecured Credit Agreement (the "Credit Agreement") among the Company, as borrower, direct and indirect subsidiaries of the Company, as guarantors, the lenders from time to time party thereto (the "Lenders") and Citibank, N.A., as administrative agent, swing line lender, L/C issuer and a Lender (capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Credit Agreement).

The Credit Agreement provides for a term loan facility ("Term Loan") of $60,000 and a revolving credit facility ("Revolving Loan") of up to $10,000. The Credit Agreement also provides that the Company has the right from time to time during the term of the Credit Agreement to request the Lenders for incremental revolving loan borrowing increases of up to an additional $10,000 in the aggregate, subject to, among other items, the Lenders agreeing to lend any such additional amounts and compliance with terms specified in the Credit Agreement. The Credit Agreement matures on July 10, 2029.

The Company borrowed $60,000 in Term Loan borrowings on the Effective Date to refinance and redeem its outstanding 2025 Notes. The Company will use any Revolving Loan borrowings under the Credit Agreement for working capital and general corporate purposes. As of June 28, 2026, there were no outstanding borrowings under the Revolving Loan.

Term Loan and Revolving Loan borrowings under the Credit Agreement bear interest at a rate per annum, at the Company's option, of (a) for Base Rate Loans, the Base Rate plus the Applicable Rate of 0.00% or (b) for Term SOFR Loans, Term SOFR plus the Applicable Rate of 1.40% for one (1), three (3) or six (6) month periods, as selected by the Company in its Loan Notice. The Company is subject to a commitment fee of 0.20% per annum on the daily amount of the undrawn portion of the Revolving Committed Amount. The interest rate on the Term Loan borrowings at June 28, 2026 was 5.152%.

The Credit Agreement contains customary affirmative covenants and negative covenants and requires the Company to maintain a Consolidated Fixed Charge Ratio not to exceed 1.20 to 1.00 and a Consolidated Net Leverage Ratio not to exceed 3.00 to 1.00, in each case, as of the end of each fiscal quarter. The Company was in compliance with the covenants of the Credit Agreement at June 28, 2026.

The outstanding Term Loan borrowings under the Credit Agreement are payable in equal quarterly installments of 1.0% of the original principal amount of the Term Loan, or $600, which began on September 30, 2024, with the balance payable on the final maturity date. The Company made mandatory principal repayments on the Term Loan of $600 during fiscal 2027 and $2,400 during fiscal 2026. Subsequent to the quarter ending June 28, 2026, on June 30, 2026, the Company paid its next quarterly mandatory debt principal repayment of $600.

The outstanding Term Loan borrowings and the Revolving Loan borrowings under the Credit Agreement are voluntarily prepayable by the Company without penalty or premium, provided, that each of the following shall require a mandatory prepayment of outstanding Term Loan borrowings and Revolving Loan borrowings by the Company as follows: (i) 100% of any Net Cash Proceeds in excess of $2,000 individually or in the aggregate over the term of the Credit Agreement in respect of any Extraordinary Receipt provided that the Company shall be permitted to reinvest such Net Cash Proceeds in accordance with the Credit Agreement, (ii) 100% of any Net Cash Proceeds of an Equity Issuance, (iii) 100% of any Net Cash Proceeds from a Debt Issuance and (iv) 100% of any Net Cash Proceeds from the Disposition of certain assets individually, or in the aggregate, in excess of $2,000 in any fiscal year provided that the Company shall be permitted to reinvest such Net Cash Proceeds in accordance with the Credit Agreement.

The Company's obligations under the Credit Agreement are fully and unconditionally guaranteed by all of the Company's wholly-owned subsidiaries.

The Credit Agreement provides that certain Change of Control events constitutes an Event of Default. Such an Event of Default entitles the Lenders to, among other things, cause all outstanding debt obligations under the Credit Agreement to become immediately due and payable.

As previously announced, on January 20, 2026, the Company entered into the Merger Agreement, by and among the Company, the Buyer and Merger Sub.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof and in accordance with the General Corporation Law of the State of Delaware ("DGCL"), Merger Sub shall merge with and into the Company.

Pursuant to the Merger Agreement, the Buyer at the Effective Time shall pay all outstanding obligations under the Credit Facility.

NOTE Q – LEASES

The Company is party as lessee to various leases for land, buildings and certain office equipment for its Company-owned restaurants and corporate office. The Company previously leased and subleased one property; this arrangement was terminated on November 4, 2025.

Company as lessee

The components of the net lease cost for the thirteen week periods ended June 28, 2026 and June 29, 2025 were as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Operating lease cost	**$ 439**	$ 438
Variable lease cost	**474**	464
Less: Sublease income, net	**-**	(21)
Total net lease cost	**$ 913**	$ 881

The components of the net lease cost are included in the Condensed Consolidated Statement of Earnings for the thirteen week periods ended June 28, 2026 and June 29, 2025 as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Restaurant operating expenses	**$ 692**	$ 682
General and administrative expenses	**221**	220
Less: Other income, net	**-**	(21)
Total net lease cost	**$ 913**	$ 881

Cash paid for amounts included in the measurement of lease liabilities for the thirteen week periods ended June 28, 2026 and June 29, 2025 were as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Operating cash flows from operating leases	**$ 566**	$ 561

The weighted average remaining lease term and weighted average discount rate for operating leases as of June 28, 2026 were as follows:

Weighted average remaining lease term (years):	**2.3**
Weighted average discount rate:	**8.449%**

Future lease commitments to be paid and received by the Company as of June 28, 2026 were as follows (in thousands):

	Payments Operating Leases	Receipts Subleases	Net Leases
Fiscal year:			
2027(a)	$ 1,375	$ 67	$ 1,308
2028	1,790	115	1,675
2029	440	-	440
2030	171	-	171
Total lease commitments	$ 3,776	$ 182	$ 3,594
Less: Amount representing interest	(322)		
Present value of lease liabilities (b)	$ 3,454		

(a) Represents future lease commitments to be paid and received by the Company for the remainder of the 2027 fiscal year. Amount does not include $520 of lease commitments paid and received by the Company for the thirteen week period ended June 28, 2026.

(b) The present value of minimum operating lease payments of $1,944 and $1,510 are included in “Current portion of operating lease liabilities” and “Long-term portion of operating lease liabilities,” respectively, on the Condensed Consolidated Balance Sheet.

Company as lessor

The components of lease income for the thirteen week periods ended June 28, 2026 and June 29, 2025 were as follows (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Operating lease income, net	**$ -**	$ 21

NOTE R - COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company and its subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company’s financial position, cash flows or results of operations. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages and, in such event, could result in a material adverse impact on the Company’s results of operations for the period in which the ruling occurs.

Service Provider Agreement

The Company engaged a financial advisor in connection with the Merger Agreement as defined and disclosed in NOTE T – MERGER to assist the Company and to provide certain advisory services. In connection with this arrangement, the Company may be required to pay such financial advisor certain contingent fees related to their services to the extent that certain conditions are met. The contingent fees related to this arrangement are based on (i) a fixed fee that was due and paid upon the delivery of a fairness opinion in January 2026 and (ii) a percentage fee based upon the aggregate transaction value net of the fixed fee in (i) above payable upon the closing of the transaction contemplated by the Merger Agreement.

NOTE S – SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing activities

Dividends declared but not yet paid of $2,048 are included in Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet at June 28, 2026 which were paid on June 30, 2026.

During the thirteen week period ended June 28, 2026, we issued 3,256 shares of common stock upon the exercise of 10,000 stock options by net share settlement.

NOTE T – MERGER

On January 20, 2026, the Company entered into the Merger Agreement, by and among the Company, the Buyer and Merger Sub.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof and in accordance with the DGCL, Merger Sub shall merge with and into the Company. As a result of the Merger, at the Effective Time, the separate corporate existence of Merger Sub shall cease, the Company shall continue as the Surviving Corporation and the Surviving Corporation shall become a wholly owned subsidiary of Buyer. After the Merger, the Company will cease to be publicly traded.

At the Effective Time, as a result of the Merger and without any action on the part of Buyer, Merger Sub, the Company or the holders of any of the following securities: (i) each share of common stock of the Company, par value $0.01 per share (“Company Shares”), issued and outstanding immediately prior to the Effective Time, other than shares to be cancelled in accordance with the terms of the Merger Agreement and shares owned by holders that have exercised their appraisal rights under the DGCL, shall be converted into the right to receive cash in an amount equal to $102.00 without interest (the “Per Share Merger Consideration”), less any applicable withholding tax, payable to the holder in accordance with the terms of the Merger Agreement, (ii) each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one fully paid, non-assessable share of common stock, par value $0.01 per share, of the Surviving Corporation, and (iii) any Company Shares owned or held in treasury by the Company and any Company Shares owned by Buyer, Merger Sub or any of their respective affiliates immediately prior to the Effective Time shall automatically be cancelled and shall cease to exist and no consideration shall be delivered in exchange for such cancellation or retirement. From and after the Effective Time, all Company Shares converted into the right to receive the Per Share Merger Consideration shall no longer be issued and outstanding and shall automatically be cancelled and cease to exist.

Immediately prior to the Effective Time, (i) each option to purchase Company Shares outstanding under a Company Stock Plan (each a “Company Stock Option”), whether or not vested and exercisable, that is outstanding and unexercised immediately prior to the Effective Time, shall be automatically converted into the right to receive from Buyer or the Surviving Corporation an amount in cash (subject to applicable withholding taxes) equal to the product obtained by multiplying (A) the excess, if any, of the Per Share Merger Consideration over the per share exercise price of such Company Stock Option, by (B) the aggregate number of Company Shares that were issuable upon exercise of such Company Stock Option immediately prior to the Effective Time and (ii) each restricted stock unit of the Company granted and outstanding pursuant to a Company Stock Plan (each a “Company RSU”) shall be deemed to have been earned and become fully vested (in the case of any performance based award, with the applicable performance metrics at the target level), shall be canceled and extinguished as of the Effective Time and, in exchange, each former holder of any such Company RSU shall have the right to receive from Buyer or the Surviving Corporation an amount in cash equal to the product obtained by multiplying (A) the number of Company Shares subject to such Company RSU by (B) the Per Share Merger Consideration (such amount, the “RSU Award Payment”). Any dividend equivalents earned prior to the Effective Time will be paid in cash as soon as administratively practicable following settlement of the Company RSUs. From and after the Effective Time, each Company RSU shall no longer represent the right to receive Company Shares by the former holder thereof, but shall only entitle such holder to the payment of the RSU Award Payment. The Compensation Committee of the Company Board will adopt resolutions to provide that all Company Stock Options and Company RSUs shall terminate conditioned upon, and effective immediately prior to, the Effective Time and the holders thereof will be entitled only to the amount, if any, specified herein in respect thereof.

The Company has also agreed not to, among other things, (i) solicit, initiate, knowingly encourage or knowingly facilitate any alternative competing transaction, (ii) participate in any discussions or negotiations with any third party with respect to any alternative competing transaction, (iii) approve or recommend any alternative competing transaction, (iv) enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, share purchase agreement, asset purchase agreement, share exchange agreement, option agreement or other similar definitive agreement relating to an alternative competing transaction or (v) propose or agree to do any of the foregoing.

Notwithstanding the foregoing customary "no-shop" restrictions, if prior to obtaining the Company Stockholder Approval (as defined in the Merger Agreement) the Company receives an unsolicited written Acquisition Proposal (as defined in the Merger Agreement) from a third party and the Company Board determines in good faith that (x) such Acquisition Proposal constitutes or could be reasonably expected to result in a Superior Proposal (as defined in the Merger Agreement) and (y) the failure to take the actions set forth in clauses (i) and (ii) of this paragraph would be inconsistent with its fiduciary duties under law, the Company may, in response to such Acquisition Proposal, (i) furnish Company information and access to the third party making such Acquisition Proposal and (ii) participate in discussions or negotiations with such third party with respect to such Acquisition Proposal, or otherwise cooperate with or assist or participate in, or facilitate, any such discussions or negotiations.

The consummation of the Merger is subject to certain closing conditions, including but not limited to (a) receipt of the Company Stockholder Approval, (b) that no law or governmental order prohibits, restrains, enjoins or makes illegal the consummation of the Merger, (c) that any waiting period (and any extension thereof) applicable to the Merger and the other transactions under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 have terminated or expired and (d) that the parties have obtained CFIUS Clearance (as defined in the Merger Agreement) for the Merger. Each of Buyer's, Merger Sub's, and the Company's obligation to consummate the Merger is also subject to certain additional conditions, including (i) subject to certain materiality standards, the accuracy of the representations and warranties of the other party or parties, (ii) performance in all material respects by the other party or parties of its or their obligations under the Merger Agreement and (iii) with respect to Buyer's and Merger Sub's obligations to consummate the Merger, the absence of a Company Material Adverse Effect (as defined in the Merger Agreement) with respect to the Company.

The Merger Agreement also contains certain termination provisions for the Company and Buyer, including the right of the Company, in certain circumstances, to terminate the Merger Agreement and accept a Superior Proposal. The Company will be required to pay Buyer a termination fee in cash equal to $10,581,814 if the Merger Agreement is terminated (a) by Buyer because the Company Board changed its recommendation of the Merger, (b) by Buyer or the Company if the approval of the Company's stockholders is not obtained at the Stockholders' Meeting and the Company Board previously changed its recommendation of the Merger or (c) (i) by Buyer or the Company following June 22, 2026, subject to extension to October 20, 2026 in accordance with the Merger Agreement (the "End Date"), (ii) by Buyer or the Company because of failure to obtain the approval of the stockholders at the Stockholders' Meeting or (iii) by Buyer because of certain breaches of the Merger Agreement by the Company, only if, in the case of clauses (i) to (iii), an Acquisition Proposal has been made publicly and within nine (9) months of the termination date the Company consummates or enters into a definitive agreement for an Acquisition Proposal.

Upon the election of the Company, the Company and Smithfield Packaged Meats Corp., an affiliate of Buyer ("SPMC"), will enter into an amendment to the licensing and supply letter agreement, dated as of December 5, 2012 (the "Licensing Agreement"), by and between Nathan's Famous Systems, Inc., a subsidiary of the Company, and SPMC, which will extend the term of the Licensing Agreement for an additional four years to March 2, 2036 from the current expiration date of March 2, 2032, and Buyer will be required to pay the Company a termination fee in cash equal to $7,407,270 if the Merger Agreement is terminated (a) because of a CFIUS Turndown (as defined in the Merger Agreement) and the Company is not in material breach of the Merger Agreement at the time of termination or (b) following the End Date if, at such time, (i) a government order or other government action would have prevented the consummation of the Merger (solely as it relates to CFIUS) or the parties have not received CFIUS Clearance, (ii) certain other closing conditions have been satisfied, (iii) the Company's breach of the provisions of the Merger Agreement to obtain certain consents and approvals is not the primary cause of a government order or other government action that would prevent the consummation of the Merger and (iv) the Company is not in material breach of the Merger Agreement at the time of termination.

On January 20, 2026, the Company entered into letter agreements (each a "Retention Agreement") with each of Eric Gatoff, Chief Executive Officer of the Company and Robert Steinberg, the Chief Financial Officer of the Company. Under the Retention Agreements, each such individual is entitled to a cash retention bonus payment if (1) such individual is actively employed by the Company or a subsidiary as of closing under the Merger Agreement and has not given notice of his intent to resign or (2) the individual is terminated by the Company for any reason and closing under the Merger Agreement later occurs. The retention bonus payment amount is $3,250,000 for Mr. Gatoff and $1,050,000 for Mr. Steinberg. As consideration for the retention bonus payment, Mr. Gatoff agreed to non-competition provisions that apply for one (1) year following the termination of his employment by the Company for any reason.

The Company incurred approximately $275,000 in legal fees in connection with the proposed Merger during the thirteen weeks ended June 28, 2026, included within "General and administrative expenses" on the Consolidated Statement of Earnings.

Additional information regarding the Merger Agreement and the proposed Merger is included in the Company's Current Report on Form 8-K filed with the SEC on January 21, 2026.

NOTE U – SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the condensed consolidated financial statements were issued and filed with the SEC. There were no subsequent events that required recognition or disclosure.

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

Forward-Looking Statements

This Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. Words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, and similar expressions identify forward-looking statements, which are based on the current belief of the Company’s management, as well as assumptions made by and information currently available to the Company’s management. Among the factors that could cause actual results to differ materially include but are not limited to: the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement or the failure to satisfy the closing conditions; the possibility that the consummation of the proposed transaction is delayed or does not occur, including the failure of Nathan's stockholders to approve the proposed transaction; uncertainty as to whether the parties will be able to complete the proposed transaction on the terms set forth in the Merger Agreement; uncertainty regarding the timing of the receipt of required regulatory approvals for the proposed transaction and the possibility that the parties may be required to accept conditions that could reduce or eliminate the anticipated benefits of the proposed transaction as a condition to obtaining regulatory approvals or that the required regulatory approvals might not be obtained at all; the outcome of any legal proceedings that have been or may be instituted against the parties or others following announcement of the transactions contemplated by the Merger Agreement; challenges, disruptions and costs of integrating and achieving anticipated synergies, or that such synergies will take longer to realize than expected, risks that the proposed transaction and other transactions contemplated by the Merger Agreement disrupt current plans and operations that may harm Nathan's businesses; the amount of any costs, fees, expenses, impairments and charges related to the proposed transaction, and uncertainty as to the effects of the announcement or pendency of the proposed transaction on the market price of Nathan's common stock and/or on its financial performance; the impact of disease epidemics such as the COVID-19 pandemic; increases in the cost of food and paper products; the impact of price increases on customer visits; the status of our licensing and supply agreements, including our licensing revenue and overall profitability being substantially dependent on our agreement with Smithfield Foods, Inc.; the impact of our debt service and repayment obligations under our credit facility, including the effect on our ability to fund working capital, operations and make new investments; economic (including inflationary pressures like those currently being experienced); weather (including the impact on sales at our restaurants particularly during the summer months), and changes in the price of beef and beef trimmings; our ability to pass on the cost of any price increases in beef and beef trimmings; legislative and business conditions; potential changes in U.S. income tax or tariff policies; the collectability of receivables; changes in consumer tastes; the continued viability of Coney Island as a destination location for visitors; the ability to attract franchisees; the impact of the minimum wage legislation on labor costs in New York State or other changes in labor laws, including regulations which could render a franchisor as a “joint employer” or the impact of our union contracts; our ability to attract competent restaurant and managerial personnel; the enforceability of international franchising agreements; the future effects of any food borne illness, such as bovine spongiform encephalopathy, BSE and e coli; and the risk factors reported from time to time in the Company’s SEC reports. The Company does not undertake any obligation to update such forward-looking statements.

The following discussion and analysis is intended to help you understand us, our operations and our financial performance. It should be read in conjunction with our condensed consolidated financial statements and the accompanying notes, which are included elsewhere in this report.

Introduction

As used in this Report, the terms “we,” “us,” “our,” “Nathan’s” or the “Company” mean Nathan’s Famous, Inc. and its subsidiaries (unless the context indicates a different meaning).

We are engaged primarily in the marketing of the “Nathan’s Famous” brand and the sale of products bearing the “Nathan’s Famous” trademarks through several different channels of distribution. Historically, our business has been the operation and franchising of quick-service restaurants featuring Nathan’s World Famous Beef Hot Dogs, crinkle-cut French fries, and a variety of other menu offerings. Our Company-owned and franchised restaurants operate under the name “Nathan’s Famous,” the name first used at our original Coney Island restaurant opened in 1916. Nathan’s Product Licensing Program sells packaged hot dogs; frozen crinkle-cut French fries and additional products to retail customers through supermarkets, grocery channels and club stores for off-site consumption. Our Branded Product Program enables foodservice retailers and others to sell some of Nathan’s proprietary products outside of the realm of a traditional franchise relationship. In conjunction with this program, purchasers of Nathan’s products are granted a limited use of the Nathan’s Famous trademark with respect to the sale of the purchased products, including Nathan’s World Famous Beef Hot Dogs, certain other proprietary food items and paper goods. Our Branded Menu Program is a limited franchise program, under which foodservice operators may sell a greater variety of Nathan’s Famous menu items than under the Branded Product Program.

Our revenues are generated primarily from selling products under Nathan's Branded Product Program, operating Company-owned restaurants, licensing agreements for the sale of Nathan's products within supermarkets, grocery stores and club stores, the sale of Nathan's products directly to other foodservice operators, the manufacture of certain proprietary spices by third parties and the royalties, fees and other sums we can earn from franchising the Nathan's restaurant concept (including the Branded Menu Program and virtual kitchens).

At June 28, 2026, our restaurant system, excluding virtual kitchens, consisted of 223 locations, including 111 Branded Menu Program locations, as well as four Company-owned restaurants (including one seasonal unit), located in 19 states, and 11 foreign countries.

At June 29, 2025, our restaurant system, excluding virtual kitchens, consisted of 225 locations, including 115 Branded Menu Program locations, as well as four Company-owned restaurants (including one seasonal unit), located in 19 states, and 12 foreign countries.

Our primary focus is to expand the market penetration of the Nathan's Famous brand by increasing the number of distribution points for our products across all of our business platforms, including our Licensing Program for distribution of Nathan's Famous branded consumer packaged goods, our Branded Products Program for distribution of Nathan's Famous branded bulk products to the foodservice industry, and our namesake restaurant system comprised of both Company-owned restaurants and franchised locations, including virtual kitchens. The primary drivers of our growth have been our Licensing and Branded Product Programs which have been the largest contributors to the Company's revenues and profits.

While we do not expect to significantly increase the number of Company-owned restaurants, we may opportunistically and strategically invest in a small number of new units as showcase locations for prospective franchisees and master developers as we seek to grow our franchise system. We continue to seek opportunities to drive sales in a variety of ways as we adapt to the ever-changing consumer and business climate.

As described in our Annual Report on Form 10-K for the year ended March 29, 2026, our future results could be materially impacted by many developments including our dependence on Smithfield Foods, Inc. as our principal supplier and the dependence of our licensing revenue and overall profitability on our agreement with Smithfield Foods, Inc. In addition, our future operating results could be impacted by supply constraints on beef or by increased costs of beef, beef trimmings and other commodities due to inflationary pressures compared to earlier periods and our proposed transaction with Smithfield Foods, Inc. under the Merger Agreement.

As described below, we are also including information relating to EBITDA and Adjusted EBITDA, which are non-GAAP financial measures, in this Form 10-Q quarterly report. See "Reconciliation of GAAP and Non-GAAP Measures."

Recent events

Merger Agreement

As previously announced, on January 20, 2026, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Smithfield Foods, Inc., a Virginia corporation ("Buyer") and Boardwalk Merger Sub, Inc. a Delaware corporation and wholly owned subsidiary of Buyer ("Merger Sub"). Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof and in accordance with the General Corporation Law of the State of Delaware ("DGCL"), Merger Sub shall merge with and into the Company (the "Merger," and the effective time of the Merger, the "Effective Time"). As a result of the Merger, at the Effective Time, the separate corporate existence of Merger Sub shall cease, the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation") and the Surviving Corporation shall become a wholly owned subsidiary of Buyer. After the Merger, the Company will cease to be publicly traded. Completion of the transaction remains contingent upon meeting several conditions specified in the Merger Agreement which include securing approval from the holders of a majority of Nathan's outstanding stock, obtaining clearance from the Committee on Foreign Investment in the United States (CFIUS), and fulfilling other closing requirements. We expect the transaction to close in the second half of 2026. For more information regarding the Merger, see NOTE T – MERGER to the accompanying condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Inflationary Factors

Inflationary pressures negatively impacted our earnings during the first three months of fiscal 2027, and we anticipate continued inflationary pressures on commodity prices, including beef and beef trimmings, as well as rising labor costs during the remainder of fiscal 2027. In general, we have been able to offset some of these cost increases resulting from inflation through various actions, such as increasing prices at our Company-owned restaurants and entering into sales agreements with our Branded Product Program customers that are correlated to our cost of beef and beef trimmings. We continue to monitor these inflationary pressures and may need to adjust our prices further to mitigate the impact of these inflationary pressures. Inherent volatility in commodity markets, including beef and beef trimmings, could have a significant impact on our results of operations. Delays in implementing price increases, competitive pressures, a decline in consumer spending levels and other factors may limit our ability to recover such cost increases.

Critical Accounting Policies and Estimates

As discussed in our Form 10-K for the fiscal year ended March 29, 2026, the discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in those condensed consolidated financial statements. These judgments can be subjective and complex, and consequently, actual results could differ from those estimates. Our most critical accounting estimates relate to impairment of intangible assets; impairment of long-lived assets; current expected credit losses; customer rebates and income taxes (including uncertain tax positions). During the thirteen week period ended June 28, 2026, there have been no changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended March 29, 2026.

New Accounting Standards Not Yet Adopted

Please refer to NOTE B – NEW ACCOUNTING STANDARDS NOT YET ADOPTED in the accompanying condensed consolidated financial statements for our discussion of New Accounting Standards Not Yet Adopted.

EBITDA and Adjusted EBITDA

The Company believes that EBITDA and Adjusted EBITDA, which are non-GAAP financial measures, are useful to investors to assist in assessing and understanding the Company's operating performance and underlying trends in the Company's business because EBITDA and Adjusted EBITDA are (i) among the measures used by management in evaluating performance and (ii) are frequently used by securities analysts, investors and other interested parties as a common performance measure.

Reconciliation of GAAP and Non-GAAP Measures

The following is provided to supplement certain Non-GAAP financial measures.

In addition to disclosing results that are determined in accordance with US GAAP, the Company has provided EBITDA, a non-GAAP financial measure, which is defined as net income excluding (i) interest expense; (ii) provision for income taxes and (iii) depreciation and amortization expense. The Company has also provided Adjusted EBITDA, a non-GAAP financial measure, which is defined as EBITDA, excluding (i) non-recurring transaction costs consisting primarily of professional fees incurred in connection with the Merger Agreement and (ii) share-based compensation that the Company believes will impact the comparability of its results of operations.

EBITDA and Adjusted EBITDA are not recognized terms under US GAAP and should not be viewed as alternatives to net income or other measures of financial performance or liquidity in conformity with US GAAP. Additionally, our definitions of EBITDA and Adjusted EBITDA may differ from other companies. Analysis of results and outlook on a non-US GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with US GAAP.

The following is a reconciliation of net income to EBITDA and Adjusted EBITDA (in thousands):

	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
	(unaudited)	
Net income	**$ 8,829**	$ 8,928
Interest expense	**638**	758
Provision for income taxes	**3,334**	3,329
Depreciation and amortization	**239**	228
EBITDA	**13,040**	13,243
Transaction costs (1)	**295**	-
Share-based compensation	**280**	288
Adjusted EBITDA	**$ 13,615**	$ 13,531

(1) Consists principally of legal costs incurred in connection with the transaction contemplated by the Merger Agreement.

Seasonality

Our routine business pattern is affected by seasonal fluctuations, including the effects of weather and economic conditions. Historically, sales from our Company-owned restaurants, principally at Coney Island, and franchised restaurants from which franchised royalties are earned and the Company's earnings have been highest during our first two fiscal quarters, with the fourth quarter representing the slowest period. Routine seasonality is primarily attributable to weather conditions in the marketplace for our Company-owned and franchised restaurants, which are principally located in the Northeast of the United States. Additionally, revenues from our Branded Product Program, Branded Menu Program and Product licensing program generally follow similar seasonal fluctuations, although not to the same degree. We expect that this seasonality will continue. Working capital requirements may vary throughout the year to support these seasonal patterns.

Due to the above seasonal factors, as well as inflationary pressures, our results of operations for the thirteen weeks ended June 28, 2026 are not necessarily indicative of those for any other quarter or for a full fiscal year.

Results of Operations

Thirteen weeks ended June 28, 2026 compared to thirteen weeks ended June 29, 2025

Revenues

Total revenues increased by approximately 15% to $54,062,000 for the thirteen weeks ended June 28, 2026 ("fiscal 2027 period") as compared to $46,998,000 for the thirteen weeks ended June 29, 2025 ("fiscal 2026 period"). The increase in total revenues was primarily driven by pricing actions within the Branded Product Program and modest increases in certain license royalty streams, which were partially offset by lower franchise fees and royalties and Company-owned restaurant revenues.

Foodservice sales from the Branded Product Program increased by approximately 20% to $35,039,000 during the fiscal 2027 period as compared to $29,075,000 for the fiscal 2026 period. During the fiscal 2027 period, the total volume of hot dogs sold in the Branded Product Program increased by approximately 8% as compared to the fiscal 2026 period. Our average selling price, which is partially correlated to the beef markets, increased by approximately 17% as compared to the fiscal 2026 period.

Total Company-owned restaurant sales decreased by approximately 1% to $3,951,000 during the fiscal 2027 period as compared to $3,986,000 during the fiscal 2026 period. Restaurant sales were primarily impacted by a 1% decline in average check.

License royalties increased by approximately 10% to $13,587,000 in the fiscal 2027 period as compared to $12,381,000 in the fiscal 2026 period. Total royalties earned on sales of hot dogs from our license agreement with Smithfield Foods, Inc. at retail and foodservice, increased by approximately 10% to $12,617,000 in the fiscal 2027 period as compared to $11,464,000 in the fiscal 2026 period. The increase is due to a 3% increase in retail volume, as well as a 7% increase in net selling price. The royalties earned on the foodservice business decreased by $47,000 as compared to the fiscal 2026 period. Royalties earned from all other licensing agreements for the manufacture and sale of Nathan's products increased by $53,000 during the fiscal 2027 period as compared to the fiscal 2026 period primarily due to higher royalties earned on sales of proprietary spices and beef sticks offset, in part, by lower royalties on franks-in-a-blanket, mozzarella sticks and other hors d'oeuvres.

Franchise fees and royalties were $1,074,000 in the fiscal 2027 period as compared to $1,129,000 in the fiscal 2026 period. Total royalties were $1,020,000 in the fiscal 2027 period as compared to $1,001,000 in the fiscal 2026 period. Royalties earned under the Branded Menu Program were $179,000 in the fiscal 2027 period as compared to $176,000 in the fiscal 2026 period. Royalties earned under the Branded Menu Program are not based upon a percentage of restaurant sales but are based upon product purchases. Virtual kitchen royalties were $48,000 in the fiscal 2027 period as compared to $15,000 in the fiscal 2026 period. Traditional franchise royalties were $793,000 in the fiscal 2027 period as compared to $810,000 in the fiscal 2026 period. Franchise restaurant sales decreased to $18,204,000 in the fiscal 2027 period as compared to $18,444,000 in the fiscal 2026 period principally due to lower sales at mall locations and casino locations, primarily in Las Vegas, Nevada, offset, in part, by higher sales at travel plazas and airports. Comparable domestic franchise sales (consisting of 60 Nathan's franchised restaurants, excluding sales under the Branded Menu Program) were $14,623,000 in the fiscal 2027 period as compared to $14,417,000 in the fiscal 2026 period.

At June 28, 2026, 223 franchised locations, including domestic, international and Branded Menu Program units were operating as compared to 225 franchised locations, including domestic, international and Branded Menu Program units at June 29, 2025. Total franchise fee income was $54,000 in the fiscal 2027 period as compared to $128,000 in the fiscal 2026 period. Domestic franchise fee income was $27,000 in the fiscal 2027 period as compared to $23,000 in the fiscal 2026 period. International franchise fee income was $27,000 in the fiscal 2027 period as compared to $54,000 in the fiscal 2026 period. We recognized $51,000 in forfeited fees in the fiscal 2026 period. During the fiscal 2027 period, four franchise locations opened and two franchise locations closed. During the fiscal 2026 period, eight franchise locations opened and thirteen franchise locations closed.

Advertising fund revenue, after eliminating Company contributions, was $411,000 in the fiscal 2027 period as compared to $427,000 in the fiscal 2026 period.

Costs and Expenses

Overall, our cost of sales increased by approximately 24% to $35,205,000 in the fiscal 2027 period as compared to $28,423,000 in the fiscal 2026 period. Our gross profit (calculated as total Branded Products sales plus total Company-owned restaurant sales less cost of sales) was $3,785,000 during the fiscal 2027 period as compared to $4,638,000 during the fiscal 2026 period.

Cost of sales in the Branded Product Program increased by approximately 26% to $33,087,000 in the fiscal 2027 period as compared to $26,233,000 in the fiscal 2026 period, primarily due to an 8% increase in the volume of hot dogs sold, as well as a 22% increase in the average cost per pound of our hot dogs. A shrinking supply of cattle due to drought conditions and high input costs, combined with strong industry demand and inflationary pressures have resulted in higher commodity prices, including beef and beef trimmings, contributing to the increase in the average cost per pound of our hot dogs. We did not make any purchase commitments of beef during the fiscal 2027 and 2026 periods. If the cost of beef and beef trimmings increases and we are unable to pass on these higher costs through price increases or otherwise reduce any increase in our costs through the use of purchase commitments, our margins will be adversely impacted. With respect to Company-owned restaurants, our cost of sales during the fiscal 2027 period was $2,118,000 or 54% of restaurant sales, as compared to $2,190,000 or 55% of restaurant sales during the fiscal 2026 period. Food and paper costs as a percentage of Company-owned restaurant sales were 24%, which was comparable to the prior year. Labor and related expenses as a percentage of Company-owned restaurant sales were 29%, down from 31% primarily as a result of tighter management and staffing stabilization.

Restaurant operating expenses were $1,216,000 in the fiscal 2027 period as compared to $1,179,000 in the fiscal 2026 period. The increase is due primarily to higher repairs and maintenance expense of $14,000 and higher utilities expense of $36,000 which were offset, in part, by lower credit card processing fees of $29,000. As a percentage of Company-owned restaurant sales, restaurant operating expenses were 30.8% in the fiscal 2027 period as compared to 29.6% in the fiscal 2026 period.

Depreciation and amortization, which primarily consists of the depreciation of fixed assets, including leasehold improvements and equipment and the amortization of a definite-lived intangible asset, was $239,000 in the fiscal 2027 period as compared to $228,000 in the fiscal 2026 period.

General and administrative expenses increased by approximately 9% to $4,323,000 in the fiscal 2027 period as compared to $3,950,000 in the fiscal 2026 period. The increase in general and administrative expenses was primarily attributable to higher professional fees of $288,000 due primarily to our pending acquisition with Buyer pursuant to the Merger Agreement. Refer to NOTE T – MERGER in the accompanying condensed consolidated financial statements above for further information.

Advertising fund expense, after eliminating Company contributions, was $411,000 in the fiscal 2027 period as compared to $427,000 in the fiscal 2026 period.

Other Items

Interest expense of $638,000 in the fiscal 2027 period represented interest expense of $620,000 on the Secured Overnight Financing Rate ("SOFR") Term Loan borrowings and amortization of debt issuance costs of $18,000.

Interest expense of $758,000 in the fiscal 2026 period represented interest expense of $739,000 on the SOFR Term Loan borrowings and amortization of debt issuance costs of $19,000.

The reduction in interest expense of $120,000 is due primarily to lower outstanding long-term debt and a lower interest rate associated with our Credit Agreement.

Interest and dividend income of $133,000 in the fiscal 2027 period represented amounts earned by the Company on its interest bearing money market accounts and money market funds as compared to $203,000 in the fiscal 2026 period. The decrease is due to lower levels of invested cash in the fiscal 2027 period as compared to the fiscal 2026 period.

Other income, net was $21,000 in the fiscal 2026 period which primarily relates to sublease income from a franchised restaurant.

Provision for Income Taxes

The effective income tax rate for the fiscal 2027 period was 27.4% as compared to 27.2% in the fiscal 2026 period. The effective income tax rate for the fiscal 2027 period reflected income tax expense of $3,334,000 recorded on $12,163,000 of pre-tax income. The effective income tax rate for the fiscal 2026 period reflected income tax expense of $3,329,000 recorded on $12,257,000 of pre-tax income. The effective tax rates are higher than the U.S. Federal statutory rates primarily due to state and local taxes, as well as non-deductible executive compensation under the Internal Revenue Code Section 162(m). The effective income tax rate for the fiscal 2027 period included an unfavorable discrete tax adjustment of 0.6% for non-deductible transaction costs offset, in part, by a favorable discrete tax adjustment of 0.4% for stock compensation activity.

The American Rescue Plan Act of 2021 ("ARPA"), among other things, includes provisions to expand the IRC Section 162(m) disallowance for deduction of certain compensation paid by publicly held corporations. Effective for tax years starting after December 31, 2026 (March 29, 2027 for the Company), ARPA expands the limitations to cover the next five most highly compensated employees. We continue to evaluate the potential impact ARPA may have on our operations and condensed consolidated financial statements in future periods.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others to be implemented through 2027. The OBBBA did not have a material impact to our provision for income taxes for the fiscal 2027 period.

The amount of unrecognized tax benefits at June 28, 2026 was $375,000 all of which would impact the Company's effective tax rate, if recognized. As of June 28, 2026, the Company had approximately $372,000 accrued for the payment of interest and penalties in conjunction with unrecognized tax benefits.

Nathan's estimates that its unrecognized tax benefit excluding accrued interest and penalties could be further reduced by up to $50,000 during the fiscal year ending March 28, 2027 due primarily to the lapse of statutes of limitations which would favorably impact the Company's effective tax rate, although no assurances can be given in this regard.

Off-Balance Sheet Arrangements

At June 28, 2026 and June 29, 2025, Nathan's did not have any open purchase commitments for hot dogs. Nathan's may enter into purchase commitments in the future as favorable market conditions become available.

Liquidity and Capital Resources

Sources and uses of cash

Cash and cash equivalents at June 28, 2026 aggregated $24,686,000, a $282,000 increase during the fiscal 2027 period as compared to cash of $24,404,000 at March 29, 2026. Net working capital increased to $34,764,000 at June 28, 2026 as compared to $28,218,000 at March 29, 2026.

Our primary sources of liquidity and capital resources are cash flows from operations and our cash and cash equivalents. Our primary cash requirements are to fund the June 2026 Regular Cash Dividend, to satisfy the debt service under our credit facility, capital expenditures, lease obligations, working capital and general corporate needs.

Summary of Cash Flows

The following table presents summary cash flow information for the periods indicated (in thousands).

(In thousands)	Thirteen weeks ended	
	June 28, 2026	June 29, 2025
Net cash provided by (used in) operating activities	**$ 949**	$ (220)
Net cash used in investing activities	**(67)**	(115)
Net cash used in financing activities	**(600)**	(600)
Net increase (decrease) in cash and cash equivalents	**$ 282**	$ (935)

Operating activities

Cash provided by operations of $949,000 is primarily attributable to net income of $8,829,000 in addition to other non-cash operating items of $565,000, offset by changes in other operating assets and liabilities of $8,445,000. Non-cash operating expenses consist principally of depreciation and amortization of $239,000, amortization of debt issuance costs of $18,000, share-based compensation expense of $280,000 and a provision for credit losses of $57,000. In the fiscal 2027 period, accounts and other receivables increased by $11,493,000 due primarily to higher Branded Product Program receivables of $3,819,000, higher franchise and license royalties receivable of $6,975,000 and higher receivables due to the Advertising Fund of $685,000**.** Inventories increased by $508,000 due to timing and Branded Product Program inventory in transit. Prepaid expenses and other current assets decreased by $541,000 due primarily to a decrease in prepaid income taxes of $210,000 and a decrease in prepaid marketing and other expenses of $401,000 which were offset, in part, by an increase in prepaid real estate taxes of $92,000. Accounts payable, accrued expenses and other current liabilities increased by $3,100,000 due principally to an increase in accounts payable of $2,701,000 due to the timing of product purchases for our Branded Product Program and Company-owned restaurants. Additionally, there was an increase in accrued corporate taxes of $2,906,000 due to the timing of estimated tax payments. Offsetting these increases was a reduction in accrued payroll and other benefits of $1,848,000 resulting from the payment of fiscal year-end 2026 compensation as well as the recognition of $707,000 of deferred revenue.

Investing activities

Cash used in investing activities of $67,000 in the fiscal 2027 period is primarily attributable to capital expenditures incurred for our Branded Product Program and our Coney Island restaurants.

Financing activities

During fiscal 2027, we made $600,000 of mandatory principal repayments on our Term Loan borrowings under the Credit Agreement.

Subsequent to the fiscal 2027 period, we paid our next quarterly mandatory principal repayment on our Term Loan borrowings of $600,000 on June 30, 2026.

Credit Agreement

On July 10, 2024 (the “Effective Date”), the Company entered into a five-year unsecured Credit Agreement among the Company, as borrower, direct and indirect subsidiaries of the Company, as guarantors, the lenders from time to time party thereto (the “Lenders”) and Citibank, N.A., as administrative agent, swing line lender, L/C issuer and a Lender.

The Credit Agreement provides for a term loan facility (“Term Loan”) of $60,000,000 and a revolving credit facility (“Revolving Loan”) of up to $10,000,000. The Credit Agreement also provides that the Company has the right from time to time during the term of the Credit Agreement to request the Lenders for incremental revolving loan borrowing increases of up to an additional $10,000,000 in the aggregate, subject to, among other items, the Lenders agreeing to lend any such additional amounts and compliance with terms specified in the Credit Agreement. The Credit Agreement matures on July 10, 2029.

The Company borrowed $60,000,000 in Term Loan borrowings on the Effective Date to refinance and redeem its 2025 Notes. The Company will use any Revolving Loan borrowings under the Credit Agreement for working capital and general corporate purposes. As of June 28, 2026, there were no outstanding borrowings under the Revolving Loan. See Note P – LONG-TERM DEBT in the accompanying condensed consolidated financial statements for additional information on the Credit Agreement.

Share Repurchases

In 2016, the Board authorized increases to the sixth stock repurchase plan for the purchase of up to 1,200,000 shares of its common stock on behalf of the Company. As of June 28, 2026, Nathan’s has repurchased 1,101,884 shares at a cost of $39,000,000 under the sixth stock repurchase plan. At June 28, 2026, there were 98,116 shares remaining to be repurchased pursuant to the sixth stock repurchase plan. The plan does not have a set expiration date. Purchases under the Company’s stock repurchase program may be made from time to time, depending on market conditions, in open market or privately negotiated transactions, at prices deemed appropriate by management. There is no set time limit on the repurchases. There were no stock repurchases during the fiscal 2027 period and the fiscal 2026 period. The terms of the Merger Agreement prohibit the Company from repurchasing any of its common stock subject to certain limited exceptions.

Common Stock Dividends

As discussed above, we had cash and cash equivalents at June 28, 2026 aggregating $24,686,000. Our Board routinely monitors and assesses its cash position and our current and potential capital requirements. The Company paid the June 2026 Regular Cash Dividend of $2,048,000 on June 30, 2026. After the payment of the June 2026 Regular Cash Dividend, the Company is no longer permitted to declare and pay any further dividends under the Merger Agreement.

Purchase Commitments

At June 28, 2026 and March 29, 2026, Nathan’s did not have any open purchase commitments to purchase hot dogs.

Cash Flow Outlook

We expect that in the future we will make investments in certain existing restaurants, support the growth of the Branded Product and Branded Menu Programs, and service the principal and interest obligations under the Credit Agreement, funding those investments from our operating cash flow. We may also incur capital and other expenditures or engage in investing activities in connection with opportunistic situations that may arise on a case-by-case basis as permitted pursuant to our Credit Agreement, and the Merger Agreement. While our Credit Agreement bears interest at a fluctuating interest rate based on the SOFR plus a spread adjustment, if the Company makes cash interest payments on the Term Loan borrowings at the interest rate effective at August 7, 2026, then for the remainder of the fiscal year ending March 28, 2027, we expect to make cash interest payments of approximately $1,802,000 on the Term Loan borrowings.

We may from time to time seek to make voluntary prepayments of our Term Loan borrowings under our Credit Agreement. Such voluntary prepayments, if any, will depend on market conditions, our liquidity requirements, satisfactory compliance of covenants and conditions pursuant to our Credit Agreement, the Merger Agreement and other factors.

Management believes that available cash and cash equivalents and cash generated from operations should provide sufficient capital to finance our operations, fund our operating lease obligations, capital expenditures and satisfy our debt service requirements for the next 12 months.

Contractual Obligations

At June 28, 2026, our contractual obligations primarily consist of the Term Loan borrowings under our Credit Agreement and the mandatory debt principal repayments and the related interest payments, operating leases, and employment agreements with certain executive officers. These contractual obligations impact our short-term and long-term liquidity and capital resource needs. See NOTE P – LONG-TERM DEBT and NOTE Q - LEASES in the accompanying condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and as disclosed in our Form 10-K for the fiscal year ended March 29, 2026 as filed with the SEC on June 9, 2026.

Inflationary Pressures

Inflationary pressures on labor and rising commodity prices, most notably for beef and beef trimmings, have impacted our consolidated results of operations during the fiscal 2027 period, and this trend may continue through the remainder of fiscal 2027.

Our average cost of hot dogs during the fiscal 2027 period was approximately 22% higher than during the fiscal 2026 period. Our average cost of hot dogs during the fiscal year ended March 29, 2026 was approximately 19% higher than during the fiscal year ended March 30, 2025. Inherent volatility experienced in certain commodity markets, such as those for beef and beef trimmings due to seasonal shifts, climate conditions, industry demand, inflationary pressures and other macroeconomic factors could have an adverse effect on our results of operations. This impact will depend on our ability to manage such volatility through price increases and product mix. We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products during the remainder of fiscal 2027. To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. In the past, we entered into purchase commitments for a portion of our hot dogs to reduce the impact of increasing market prices. We may attempt to enter into similar purchase arrangements for hot dogs and other products in the future.

We have experienced competitive pressure on labor rates as a result of the increase in the minimum hourly wage for fast food workers where our Company-owned restaurants are located. On January 1, 2026, the minimum wage increased from $16.50 to $17.00 in New York City, Long Island and Westchester. Further, beginning in 2027, the minimum wage across New York State will increase annually according to the Consumer Price Index. There has also been an increased demand for labor at all levels which has resulted in greater challenges retaining adequate staffing levels at our Company-owned restaurants; our franchised restaurants and Branded Menu Program locations; as well as for certain vendors in our supply chain that we depend on for our commodities. We remain in contact with our major suppliers and to date we have not experienced significant disruptions in our supply chain.

We believe that these increases in the minimum wage and other changes in employment laws have had a significant financial impact on our financial results and the results of our franchisees that operate in New York State. Our business could be negatively impacted if the decrease in margins for our franchisees results in the potential loss of new franchisees or the closing of a significant number of franchised restaurants.

We expect to continue experiencing volatility in oil and gas prices on our distribution costs for food products and utility costs in the Company-owned restaurants and volatile insurance costs resulting from rising rates.

Continued increases in labor costs, commodity prices and other operating expenses, including health care, could adversely affect our operations. We attempt to manage inflationary pressure, and rising commodity costs, at least in part, through raising prices. Delays in implementing price increases, competitive pressures, consumer spending levels and other factors may limit our ability to offset these rising costs. Volatility in commodity prices, including beef and beef trimmings could have a significant adverse effect on our results of operations.

The Company’s business, financial condition, operating results and cash flows can be impacted by a number of factors, including but not limited to those set forth above in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” any one of which could cause our actual results to vary materially from recent results or from our anticipated future results. For a discussion identifying additional risk factors and important factors that could cause actual results to differ materially from those anticipated, also see the discussions in “Forward-Looking Statements” and “Notes to Condensed Consolidated Financial Statements” in this Form 10-Q and “Risk Factors” in our Form 10-K for our fiscal year ended March 29, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Cash and Cash Equivalents

We have historically invested our cash in money market accounts and money market funds which are affected by short term interest rates. As of June 28, 2026, Nathan's cash and cash equivalents balance aggregated $24,686,000. Interest income on our cash and cash equivalents would increase or decrease by approximately $62,000 per annum for each 0.25% change in interest rates.

Borrowings

On July 10, 2024, we entered into a Credit Agreement and borrowed $60,000,000 in Term Loan borrowings to refinance and redeem the 2025 Notes. Borrowings under our Credit Agreement bear interest at a fluctuating interest rate based on SOFR or a base rate plus a spread adjustment. Accordingly, a rising interest rate environment would result in higher interest expense due on borrowings. A hypothetical 100 bps increase in the interest rate on our $47,800,000 of outstanding unsecured Term Loan borrowings at June 28, 2026 would lead to an increase of approximately $478,000 in cash interest costs over the next twelve months. We currently do not anticipate entering into interest rate swaps or other financial instruments to hedge our borrowings.

Commodity Costs

We are exposed to market price fluctuations in commodities, most notably beef and beef trimmings. Inflationary pressures on commodity prices have directly impacted our consolidated results of operations during the fiscal 2027 period, most notably within our Branded Product Program segment. This trend may continue for the remainder of fiscal 2027. Our average cost of hot dogs during the fiscal 2027 period was approximately 22% higher than during the fiscal 2026 period.

We are unable to predict the future cost of our hot dogs and expect to experience price volatility for our beef products for the remainder of fiscal 2027. Factors that affect beef prices are outside of our control and include foreign and domestic supply and demand, inflation, weather and seasonality. To the extent that beef prices increase as compared to earlier periods, it could impact our results of operations. In the past, we have entered into purchase commitments for a portion of our hot dogs to reduce the impact of increasing market prices. We may attempt to enter into purchase arrangements for hot dogs and other products in the future. Additionally, we expect to continue experiencing volatility in oil and gas prices on our distribution costs for our food products and utility costs in the Company-owned restaurants and volatile insurance costs resulting from rising rates.

We have not attempted to hedge against fluctuations in the prices of the commodities we purchase using future, forward, option or other instruments. As a result, we expect that the majority of our future commodity purchases will be subject to market changes in the prices of such commodities. We have attempted to enter into sales agreements with our Branded Product Program customers that are correlated to our cost of beef, thus reducing our market volatility, or have passed through permanent increases in our commodity prices to our Branded Product Program customers that are not on formula pricing, thereby reducing the impact of long-term increases on our financial results. A short-term increase or decrease of 10% in the cost of our food and paper products for the period ended June 28, 2026 would have increased or decreased our cost of sales by approximately $3,331,000.

Foreign Currencies

Foreign franchisees generally conduct business with us and make payments in United States dollars, reducing the risks inherent with changes in the values of foreign currencies. As a result, we have not purchased future contracts, options or other instruments to hedge against changes in values of foreign currencies and we do not believe fluctuations in the value of foreign currencies would have a material impact on our financial results.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined by Exchange Act Rule 13a-15(e) and Exchange Act Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, the Chief Executive Officer, and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us 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 and that such information is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls

There were no changes in our internal controls over financial reporting that occurred during the quarter ended June 28, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives and our Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures are effective at the reasonable assurance level.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in Part I, "Item 1A. Risk Factors" in the Annual Report on Form 10-K for the fiscal year ended March 29, 2026, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing Nathan's. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

During the quarter ended June 28, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non Rule 10b5-1 trading arrangement" as such terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits.

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 by Eric Gatoff, CEO, Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	*Certification by Robert Steinberg, CFO, Nathan's Famous, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.1	*The following materials from the Nathan's Famous, Inc., Quarterly Report on Form 10-Q for the quarter ended June 28, 2026 formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings, (iii) the Condensed Consolidated Statements of Changes in Stockholders' Deficit, (iv) the Condensed Consolidated Statements of Cash Flows and (v) related notes.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

*Filed herewith.

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.

NATHAN'S FAMOUS, INC.

By: /s/ Eric Gatoff
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2026

By: /s/ Robert Steinberg
Robert Steinberg
Vice President – Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Eric Gatoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 28, 2026 of Nathan’s Famous, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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: August 7, 2026

/s/ Eric Gatoff
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Robert Steinberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 28, 2026 of Nathan’s Famous, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer 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: August 7, 2026

/s/ Robert Steinberg
Robert Steinberg
Vice President – Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Eric Gatoff, Chief Executive Officer of Nathan’s Famous, Inc., certify that:

The quarterly report on Form 10-Q of Nathan’s Famous, Inc. for the period ended June 28, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Nathan’s Famous, Inc.

/s/ Eric Gatoff
Eric Gatoff
Chief Executive Officer
(Principal Executive Officer)
Date: August 7, 2026

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

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Steinberg, Chief Financial Officer of Nathan’s Famous, Inc., certify that:

The quarterly report on Form 10-Q of Nathan’s Famous, Inc. for the period ended June 28, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Nathan’s Famous, Inc.

/s/ Robert Steinberg
Robert Steinberg
Vice President – Finance
and Chief Financial Officer
(Principal Financial and Accounting Officer)
Date: August 7, 2026

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