

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer			
1 Issuer's name Nathan's Famous, Inc.		2 Issuer's employer identification number (EIN) 11-3166443	
3 Name of contact for additional information Ronald G. DeVos	4 Telephone No. of contact 516-338-8500	5 Email address of contact investorrelations@nathansfamous.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact One Jericho Plaza		7 City, town, or post office, state, and Zip code of contact Jericho, NY 11753	
8 Date of action March 27, 2015		9 Classification and description Cash distribution to shareholders	
10 CUSIP number 632347100	11 Serial number(s)	12 Ticker symbol NATH	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On March 27, 2015, Nathan's Famous, Inc. ("NFI") made a special cash distribution to shareholders of \$25.00 per share. This amount is in excess of its current and accumulated earnings and profits.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ NFI has determined that \$10.95 per share of the special distribution is taxable as a dividend and the remainder of \$14.05 per share as a non-dividend distribution. The non-dividend distribution will be applied as a reduction of the shareholder's basis in their NFI stock. Any amount in excess of basis will be taxable to the shareholder as a capital gain.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ NFI has calculated its earnings and profits under Internal Revenue Code ("IRC") Section 312. NFI has determined that \$10.95 per share of the special distribution will be taxable as a dividend and the remainder of \$14.05 per share as a reduction in basis or or capital gain, as discussed above.

Part II Organizational Action (continued)

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

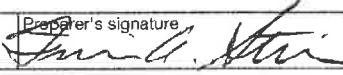
18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The reportable year is December 31, 2015.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature  Date ▶ 12/24/15

Print your name ▶ Ronald G. DeVos Title ▶ VP - Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Frederick A. Steinmann		12/23/15		P00656598
	Firm's name ▶ Raich Ende Malter & Co., LLP	Firm's EIN ▶		11-2336434	
	Firm's address ▶ 175 Broadhollow Road - Suite 250, Melville, NY 11747	Phone no.		516-228-9000	

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