

# PROSPECTUS

JANUARY 31, 2012

CLASS I SHARES

**Nicholas II, Inc. – NCTWX**

*CONSISTENCY in a WORLD of CHANGE*



Nicholas II, Inc.'s investment objective is long-term growth.

**The Securities and Exchange Commission has not approved or disapproved of the Fund's shares or determined whether this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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## SUMMARY

### Investment Objective

The Fund strives to increase the value of your investment over the long-term (“long-term growth”).

### Fees and Expenses of the Fund

The table below describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

#### Shareholder Fees

*(fees paid directly from your investment)*

	Class I
Maximum Sales Charge (Load) Imposed on Purchases .....	None
Maximum Deferred Sales Charge (Load) .....	None
Maximum Sales Charge (Load) Imposed on Reinvested Dividends .....	None
Wire Redemption Fee .....	\$15.00
Exchange Fee .....	None

#### Annual Fund Operating Expenses

*(expenses that you pay each year as a percentage of the value of your investment)*

Management Fees .....	0.53%
Distribution (12b-1) Fees .....	None
Other Expenses .....	0.12%
<b>Total Annual Fund Operating Expenses .....</b>	<b>0.65%</b>

**Example:** This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

	<u>One Year</u>	<u>Three Years</u>	<u>Five Years</u>	<u>Ten Years</u>
<p>The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be: .....</p>	\$66	\$208	\$362	\$810

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses in the example, affect the Fund’s performance. During the most recent fiscal year, the Fund’s portfolio turnover rate was 27.93% of the average value of the portfolio.

### Principal Investment Strategies

To pursue the Fund’s investment objective of long-term growth, it primarily invests in common stocks of domestic corporations with medium-sized market capitalizations believed to have growth potential. The Fund believes a company’s annual sales volume and the market capitalization (the number of shares outstanding multiplied by the per share price) are the factors most illustrative of a company’s size. In distinguishing company size in terms of sales volume, the Fund considers a company’s sales volume relative to peer companies in the company’s industry. In terms of market capitalization, the Fund generally considers companies with market capitalizations up to \$2 billion as

“small,” between \$2 billion and \$10 billion as “medium,” and greater than \$10 billion as “large.” To a lesser extent, the Fund may invest in companies with small and large market capitalizations. The Fund looks for established companies with the potential for superior growth in sales and earnings in a diversified group of industries. The Fund’s investment philosophy is basically a long-term growth philosophy, based upon the assumption that if a company achieves superior growth in sales and earnings, eventually the company’s stock will achieve superior performance. It is anticipated that a major portion of the Fund’s portfolio will be invested in common stocks of the types of companies, and in the manner, as described above.

## Principal Risks of Investing

As with any mutual fund, the Fund cannot guarantee that it will achieve its goals or that its performance will be positive over any period of time. The Fund’s investments change in value. Consequently, the value of your Fund shares may change. If the value of the Fund shares or the values of the Fund’s investments go down, you may lose money.

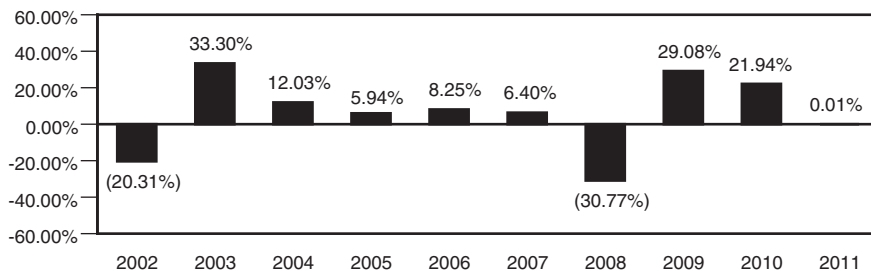
The principal risks of investing in the Fund are:

- **Market Risk** – Market risk involves the possibility that the value of the Fund’s investments will fluctuate as the stock market fluctuates over short- or longer-term periods. Common stocks prices tend to be more volatile than other investments choices.
- **Portfolio-Specific Risk** – From time to time, the value of an individual company may decline due to a particular set of circumstances affecting that company, its industry or certain companies within the industry, while having little or no impact on other similar companies within the industry. Because the Fund will invest most of its assets in the securities of mid-cap companies and to a lesser extent, small-cap companies, the Fund may face additional risks. Small- to mid-cap companies often have a limited market for their securities and limited financial resources, and are usually more affected by changes in the economy. Securities of small to medium capitalization companies also often fluctuate in price more than common stocks of larger capitalization companies.
- **Selection Risk** – The Fund also faces selection risk, which is the risk that the stocks the Fund purchases will underperform markets or other mutual funds with similar investment objectives and strategies.

Since there are risks inherent in all investments in securities, there is no assurance that the Fund’s objectives will be achieved.

## Performance

The bar chart shown below provides some indication of the risks of investing in the Fund. The chart shows the variability of the Fund’s total return for the last ten calendar years<sup>(1)</sup>. Updated performance information for the Fund is available on our website at [www.nicholasfunds.com](http://www.nicholasfunds.com).



<sup>(1)</sup> The Fund’s fiscal year end is September 30. As reflected in the bar chart, the Fund’s year-to-date return as of December 31, 2011 was 0.01%.

For the ten calendar year periods shown in the above bar chart, the highest quarterly return was 15.32% (for the quarter ended June 30, 2003) and the lowest quarterly return was -21.41% (for the quarter ended December 31, 2008).

This next table shows how the Fund's average annual total returns for the one, five and ten year periods ending on December 31, 2011 (the Fund's most recently completed calendar year), compared to the returns of broad measures of market performance and the performance average of similar mutual funds. The table also shows the Fund's average annual total returns after taxes on distributions and after taxes on distributions and the redemption of all of your Fund shares. After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

	<u>One Year</u>	<u>Five Year</u>	<u>Ten Year</u>
<b>Nicholas II, Inc.</b>			
<b>Return Before Taxes</b> .....	0.01%	3.00%	4.70%
<b>Return After Taxes on Distributions</b> .....	-0.41%	2.19%	4.01%
<b>Return After Taxes on Distributions and Sale of Fund Shares</b> .....	0.56%	2.42%	3.98%
<b>Russell Midcap Growth Index</b>			
(reflects no deduction for fees, expenses or taxes) .....	-1.65%	2.44%	5.29%
<b>Russell Midcap Index</b>			
(reflects no deduction for fees, expenses or taxes) .....	-1.55%	1.41%	6.99%
<b>Morningstar Mid-Cap Growth Category</b>			
(reflects no deduction for taxes) .....	-3.96%	2.01%	4.42%

*Of course, the Fund's past performance (before and after taxes) is no guarantee of its future returns.*

### **Investment Adviser**

Nicholas Company, Inc. serves as the Fund's investment adviser (the "Adviser").

### **Portfolio Manager**

Mr. David O. Nicholas is President, a Director and Portfolio Manager of the Fund and is primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Nicholas has been Portfolio Manager of the Fund since 1993.

### **Purchase and Sale of Fund Shares**

The minimum initial investment for the Class I shares of the Fund is \$100,000. The minimum subsequent investment is \$100 except for those shareholders participating in an automatic investment plan established with the Fund, the minimum is \$50.

The Fund's shares are redeemable. Generally, shareholders may redeem some or all of their shares without charge by the Fund on any day when the New York Stock Exchange is open by written request, by telephone request by calling 800-544-6547, by accessing your account online at [www.nicholasfunds.com](http://www.nicholasfunds.com) or by wire transfer.

### **Tax Information**

Shareholders may receive distributions from the Fund of ordinary income dividends and capital gains, which may be taxable to shareholders.

## **Payments to Broker-Dealers and Other Financial Intermediaries**

If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank or financial adviser), the Fund and its related companies may pay that intermediary for the sale of Fund shares and related services. Please bear in mind that these payments may create a conflict of interest by influencing the broker-dealer or other intermediary to recommend the Fund over another investment. Ask your intermediary or visit your intermediary's website for more information.

## INVESTMENT OBJECTIVE, PRINCIPAL INVESTMENT STRATEGIES, RELATED RISKS AND DISCLOSURE OF PORTFOLIO HOLDINGS

This section provides a more detailed description of the Fund’s investment objective, its principal investment strategies and related risks. The following questions and answers are designed to help you better understand the Fund’s principal investment strategies and the principal risks of investing in the Fund.

### What is the Fund’s primary investment objective?

The primary investment objective of Nicholas II is to increase the value of your investment over the long-term (“long-term growth”). The Fund’s Board of Directors may change the Fund’s investment objective without shareholder approval, and in such event, the Fund will provide you with advance notice of any change in investment objective.

### How does the Fund pursue its primary investment objective?

The Fund strives to meet its primary investment objective by investing primarily in a diversified portfolio of equity securities of domestic mid-cap companies, which it believes, have growth potential.

The Fund believes a company’s annual sales volume and market capitalization (the number of shares outstanding multiplied by the per share price) are the factors most illustrative of a company’s size. To determine company size in terms of sales volume, the Fund compares a company’s sales volume to peer companies in the company’s industry. In terms of market capitalization, the Fund uses the following standard:

	<u>Market Capitalization</u>
Small . . . . .	0 to \$2 Billion
Medium . . . . .	\$2 Billion to \$10 Billion
Large . . . . .	Over \$10 Billion

To pursue the Fund’s goal it also may, to a lesser extent, invest in companies with small and large capitalizations. The Fund’s investment philosophy is basically a long-term growth philosophy, based upon the assumption that if a company achieves superior growth in sales and earnings, eventually the company’s stock will achieve superior performance.

The Fund looks for companies with the potential for superior growth in sales and earnings. The Fund seeks companies that it believes are well positioned to take advantage of emerging, long-term social and economic trends, and have ample financial resources to sustain their growth. The Fund considers a number of factors in assessing a company’s value, including:

- a company’s strategic position in its industry;
- sales and earnings growth;
- attractive operating margins;
- ability to generate positive free cash flow;
- low debt-to-capital;
- product development;
- quality of management;
- overall business prospects; and
- a company’s price-to-earnings ratio (including an analysis of such ratio in relation to the company’s growth rate and industry trends).

There is no minimum percentage of the Fund’s assets which must be invested in the securities of companies in any particular industry or group of industries. In order to be classified as a diversified investment company, the Fund must meet certain criteria established by the Investment Company Act of 1940, as amended. These regulations currently state that as to 75% of the Fund’s assets, at the date of investment, the Fund may not (a) invest more than 5% of the value of such assets in the securities of any one issuer, or (b) invest in more than 10% of the voting securities of any one issuer.

The Fund may hold an investment for any length of time, and may buy or sell securities whenever the Fund observes an appropriate opportunity. The Fund may reduce or sell investments in companies

if there is an actual or perceived deterioration in the fundamentals of a company (including the company's financial condition or performance, management-related problems, product-line or service-line issues, or industry problems). The Fund also may reduce or sell investments in companies if a company's market capitalization grows to a point that it is clearly no longer a medium-capitalization stock or if a company's stock price appreciates excessively in relation to its fundamental prospects. Investments in companies also may be sold if they fail to realize their growth potential or if there are other more attractive opportunities elsewhere.

Certain circumstances also may arise in which the Fund takes a temporary defensive position. In the case of a temporary defensive position, which could arise from adverse market, economic, political or other conditions, the Fund may hold up to 100% of its portfolio in cash, cash equivalents or U.S. government securities. During any period in which the Fund maintains such a temporary defensive position, it may not achieve its investment objective.

Percentage limitations generally apply on the date of investment by the Fund to the extent permitted by the Investment Company Act of 1940, as amended. Thus, if an investment satisfies a percentage restriction when it is made, no violation of that restriction is created by changes afterwards in the market value of the investment or the total assets of the Fund.

### **What are the principal risks of investing in Nicholas II?**

**Market Risk.** The value of the Fund's investments, and therefore, the value of your Fund shares, may go up or down. Value changes in the Fund's investments and consequently, your Fund shares may occur because among other things, a particular stock market fluctuates. Stock markets tend to move in cycles, with periods when stock prices generally go up, known as "bull markets," and periods when stock prices generally go down, referred to as "bear markets." Stock prices in general may decline over short or extended periods. Thus, there is a possibility that the value of the Fund's investments will decrease because of declines in the stock market, regardless of the success or failure of the operations of the Fund's portfolio companies. At other times, there are specific factors that may adversely affect the value of a particular investment of the Fund, which in turn may reduce the value of the Fund's investments, and consequently, your Fund shares.

**Portfolio-Specific Risk.** From time to time, the value of an individual company may decline due to a particular set of circumstances affecting that company, its industry or certain companies within the industry, while having little or no impact on other similar companies within the industry. Because the Fund invests most of its assets in the securities of mid-cap companies, and to a lesser extent, small-cap companies, the Fund may be subject to additional risks. Small-cap companies often have a limited market for their securities and limited financial resources, and are usually more affected by changes in the economy. Securities of small to medium capitalization companies also often fluctuate in price more than common stocks of larger capitalization companies. If the values of the Fund's investments in small- to medium-cap companies decrease, the value of the Fund's shares also may go down.

**Selection Risk.** The Fund also is subject to selection risk, which is the risk that the stocks the Fund buys will underperform the markets or other mutual funds with similar investment objectives and strategies.

**Risks Related to Certain Other Portfolio Investments and Strategies.** The Fund may use other investment strategies. These strategies and the associated non-principal risks are described in further detail in the Fund's Statement of Additional Information ("SAI") which is incorporated by reference herein.

**Disclosure of Portfolio Holdings.** A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's SAI. There can be no assurance that the Fund's policies with respect to information about its portfolio securities will be effective or protect the Fund from the potential misuse of holdings by individuals or firms in possession of that information. The Fund's complete portfolio holdings are made available to the public on a quarterly basis generally no later than 60 days after the end of each calendar quarter end. A summary of the Fund's portfolio composition is also posted to the Fund's website at [www.nicholasfunds.com](http://www.nicholasfunds.com) under the heading "Quarterly Factsheet" generally 10 days or more following a calendar quarter end. This summary composition may include the Fund's top ten holdings and a breakdown by sector.

The Fund may use many different investment strategies in seeking its investment objective, and it has certain investment restrictions. These strategies and certain of the restrictions and policies governing the Fund's investments are explained in detail in the Fund's SAI, which is incorporated by reference herein. If you would like to learn more about how the Fund may invest and the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities, you should request a copy of the SAI. To learn how to obtain a copy, see the back cover page of this Prospectus.

As with any mutual fund, there can be no guarantee that the Fund will achieve its goals or that you will not lose money on your investment. There is no guarantee that the Fund's performance will be positive over any period of time. In view of the risks inherent in all investments in securities, there is no assurance that the Fund's objective will be achieved.

## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's Class I financial performance for the past five fiscal years ended September 30, 2011. Certain information reflects financial results for a single Class I share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in Class I (assuming reinvestment of all dividends and distributions). The information for the years ended September 30, 2011, 2010, 2009 and 2008 has been audited by Deloitte & Touche LLP, Independent Registered Public Accounting Firm, whose report, along with the Fund's financial statements and related notes, are included in the Fund's 2011 Annual Report, which is incorporated herein by reference and which may be obtained without charge by calling or writing the Fund. The information relating to the Fund for the years ended prior to September 30, 2008 was audited by other auditors.

	<b>Years Ended September 30,</b>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
NET ASSET VALUE,					
BEGINNING OF PERIOD . . . . .	\$19.31	\$17.02	\$19.15	\$25.18	\$23.11
INCOME (LOSS) FROM					
INVESTMENT OPERATIONS					
Net investment income <sup>(1)</sup> . . . . .	.10	.08	.11	.10	.08
Net gain (loss) on securities					
(realized and unrealized) . . . . .	<u>(.22)</u>	<u>2.31</u>	<u>(1.01)</u>	<u>(3.46)</u>	<u>3.10</u>
Total from investment operations . . . . .	<u>(.12)</u>	<u>2.39</u>	<u>(.90)</u>	<u>(3.36)</u>	<u>3.18</u>
LESS DISTRIBUTIONS					
From net investment income . . . . .	(.09)	(.10)	(.11)	(.10)	(.06)
From net capital gain . . . . .	<u>(.38)</u>	<u>—</u>	<u>(1.12)</u>	<u>(2.57)</u>	<u>(1.05)</u>
Total distributions . . . . .	<u>(.47)</u>	<u>(.10)</u>	<u>(1.23)</u>	<u>(2.67)</u>	<u>(1.11)</u>
NET ASSET VALUE, END OF PERIOD . . .	<u>\$18.72</u>	<u>\$19.31</u>	<u>\$17.02</u>	<u>\$19.15</u>	<u>\$25.18</u>
TOTAL RETURN . . . . .	(.90)%	14.06%	(2.86)%	(14.65)%	14.19%
SUPPLEMENTAL DATA:					
Net assets, end of year (millions) . . . . .	\$398.7	\$418.0	\$384.7	\$421.8	\$539.9
Ratio of expenses to average net assets . . . . .	.65%	.68%	.72%	.67%	.66%
Ratio of net investment income (loss)					
to average net assets . . . . .	.46%	.44%	.78%	.44%	.34%
Portfolio turnover rate . . . . .	27.93%	28.67%	32.86%	27.48%	19.56%

(1) Computed based on average shares outstanding.

**Please consider the performance information above in light of the Fund's investment objectives and policies, and market conditions during the reported time periods. Again, you must remember that historical performance does not necessarily indicate what will happen in the future. The value of your Fund shares may go up and down.**

## THE FUND'S INVESTMENT ADVISER

Nicholas Company, Inc., located at 700 North Water Street, Milwaukee, Wisconsin 53202, is the Fund's investment adviser. The Adviser furnishes the Fund with continuous investment services and is responsible for overall management of the Fund's business affairs, subject to supervision by the Fund's Board of Directors.

The Adviser is the investment adviser to five other mutual funds and to numerous institutions and individuals with substantial investment portfolios. The additional mutual funds it advises are: Nicholas Fund, Inc., Nicholas High Income Fund, Inc., Nicholas Limited Edition, Inc., Nicholas Money Market Fund, Inc. and Nicholas Equity Income Fund, Inc. As of September 30, 2011, the Adviser had approximately \$2.5 billion in assets under management.

The annual fee paid to the Adviser under the Investment Advisory Agreement is paid monthly and is based on the average net asset value of the Fund, as determined by valuations made at the close of each business day of the month.

The following table illustrates the calculation of the Adviser's annual fee:

<u>Net Asset Value of the Fund</u>	<u>Annual Fee Calculation (Based on the Average Net Asset Value of the Fund)</u>
Up to and including \$50,000,000 . . . . .	0.75 of 1%
Over \$50,000,000 and including \$100,000,000 . . . . .	0.60 of 1%
In excess of \$100,000,000 . . . . .	0.50 of 1%

For the fiscal year ended September 30, 2011, the aggregate fee paid to the Adviser was 0.53% of the Fund's average net assets. A discussion regarding the basis for the Board of Directors approval of the Fund's Investment Advisory Agreement can be found in the Fund's Semiannual Report to Shareholders for the period ended March 31, 2011.

Under an Investment Advisory Agreement with the Fund, the Adviser, at its own expense and without reimbursement from the Fund, furnishes the Fund with office space, office facilities and executive officers and executive expenses (such as health insurance premiums for executive officers). The Adviser also pays all sales and promotional expenses of the Fund, other than expenses incurred in complying with laws regulating the issue or sale of securities.

The Fund pays all of its operating expenses. Operating expenses include, but are not limited to, fees paid for attendance at Board meetings to directors who are not interested persons of the Adviser or officers or employees of the Fund, salaries of administrative and clerical personnel, association membership dues, auditing and accounting services, legal fees and expenses, printing, fees and expenses of any custodian or trustee having custody of Fund assets, postage, charges and expenses of dividend disbursing agents, registrars and stock transfer agents, including the cost of keeping all necessary shareholder records and accounts and handling any problems related thereto, and certain other costs related to the aforementioned items. The Fund also pays the Adviser for accounting and administrative services provided to the Fund by the Adviser that the Fund is obligated to pay under the Investment Advisory Agreement, subject to certain payment guidelines adopted by unanimous resolution of the Board of Directors. A description of the payment guidelines is included in the Fund's "SAI" under "The Fund's Investment Adviser."

David O. Nicholas is Chief Investment Officer and a Director of the Adviser, and President and a Director of the Fund. Albert O. Nicholas is an Executive Vice President of the Fund, is Chief Executive Officer and Chairman of the Board of the Adviser, and is a controlling person of the Adviser through his ownership of 97% of the outstanding voting securities of the Adviser. They are both Chartered Financial Analysts.

David O. Nicholas is the Portfolio Manager of the Fund and is primarily responsible for the day-to-day management of the Fund's portfolio. He has been Portfolio Manager and primarily responsible for the day-to-day management of the portfolio of the Fund since March 1993. David O. Nicholas also serves as Portfolio Manager or Associate Portfolio Manager to other funds managed by the Adviser.

The Fund's SAI provides additional information about the Portfolio Managers compensation, other accounts managed by the Portfolio Manager, and the Portfolio Managers ownership of securities in the Fund.

## **PRICING OF FUND SHARES**

The Fund's price per share is the net asset value ("NAV") of the Fund. The NAV of the Fund is determined by dividing the total value in U.S. dollars of the Fund's total net assets by the total number of shares outstanding at that time. Net assets of the Fund are determined by deducting the liabilities of the Fund from the total assets of the Fund. Securities of the Fund are valued at market value, or if a market quotation is not readily available, their fair value is determined in good faith using procedures adopted by the Board of Directors. As an example, a market quotation may not be readily available if the trading of a security is halted by its primary exchange and does not resume before the markets close or the primary exchange reports technical difficulties. If a security is valued using fair value pricing, the Fund's value for that security is likely to be different than the last quoted market value. The NAV is determined as of the close of regular trading on the New York Stock Exchange ("NYSE") (usually 4:00 p.m., New York time) on each day the NYSE is open. Therefore, shares of the Fund are not priced on days when the NYSE is closed, which generally is on weekends and national holidays in the U.S.A. For a list of holidays observed by the NYSE, please contact the Fund or see the Fund's SAI.

Shareholder purchase, redemption and exchange orders are processed using the NAV next calculated after receipt of such request in proper order by the Fund (or an Authorized Agent of the Fund). In order to receive a day's price, your request must be received in proper order by the close of regular trading on the NYSE. If you request to purchase, redeem or exchange your shares after the NYSE has closed or on a day the NYSE is closed, the NAV will be determined as of the close of the next day the NYSE is open for trading.

## PURCHASE OF FUND SHARES

	TO OPEN AN ACCOUNT	TO ADD TO AN ACCOUNT
<b>MINIMUM INVESTMENT</b>	\$100,000	\$100 \$50 via the Automatic Investment Plan
<b>BY MAIL</b> <b>Regular Mail:</b> Nicholas Funds c/o U.S. Bancorp Fund Services, LLC P.O. Box 701 Milwaukee, Wisconsin 53201-0701 <b>Overnight Mail:</b> Nicholas Funds c/o U.S. Bancorp Fund Services, LLC Third Floor 615 East Michigan Street Milwaukee, Wisconsin 53202	Complete and sign the Account Application.  Make your check payable to <i>Nicholas Funds</i>	Send your check along with the <b>Invest by Mail</b> form detached from your confirmation statement.  Send your check payable to <i>Nicholas Funds</i> with your account number in the memo field.
<b>BY INTERNET –</b> <b>www.nicholasfunds.com</b> The Fund must have bank instructions on file to purchase Fund shares this way.	You may not make an initial purchase of Fund shares via the internet.	Visit <a href="http://www.nicholasfunds.com">www.nicholasfunds.com</a> and click on “Account Access” to purchase or exchange shares from another fund in the Nicholas complex.
<b>BY TELEPHONE – 800-544-6547</b> <b>414-276-0535</b> The Fund must have bank instructions on file to purchase Fund shares this way. Telephone calls will be recorded.	You may not make an initial purchase of Fund shares via the telephone.	Call the Fund’s transfer agent, U.S. Bancorp Fund Services LLC, during business hours (8:00 A.M. to 7:00 P.M. Central Time).
<b>BY WIRE</b> U.S. Bank, N.A. ABA 075000022 U.S. Bancorp Fund Services, LLC Account 112-952-137 Nicholas II, Inc. (shareholder account number) (shareholder registration)	Complete and send in an Account Application. The completed application must be received in advance of the wire.  Call U.S. Bancorp to notify 800-544-6547 or 414-276-0535.	Call U.S. Bancorp to notify 800-544-6547 or 414-276-0535.
<b>AUTOMATIC INVESTMENT PLAN</b> U.S. Bancorp 800-544-6547 or 414-276-0535	Not applicable.	Contact the Fund for additional information.

### Other Information about Purchasing Fund Shares

Your application to purchase Fund shares must be in proper order to be accepted, may only be accepted by the Fund or an Authorized Agent of the Fund, and is not binding until accepted. Once your purchase order has been accepted, you may not cancel or revoke it. All purchase orders must be accompanied by payment in U.S. funds. Purchase of shares will be made in full and fractional shares computed to three decimal places.

Your check should be drawn on a U.S. bank, savings and loan or credit union. Checks are accepted subject to collection at full face value in U.S. funds. To prevent check fraud, cashiers checks, third-

party checks, Treasury checks, credit card checks, starter checks and money orders will not be accepted. The transfer agent will charge a \$25 fee against your account, in addition to any loss sustained by the Fund, if any payment check is returned to the transfer agent or your Automated Clearing House (“ACH”) transfer does not clear. The Fund will not accept purchase or exchange orders under circumstances or in amounts considered disadvantageous for shareholders.

Class I has a minimum initial investment of \$100,000. The following are exceptions to this required minimum amount:

- (1) Existing shareholders of any of the Nicholas Funds as of March 1, 2005;
- (2) Directors of the Nicholas Funds or Nicholas Company, Inc., the Adviser to the funds, and their family members;
- (3) Employees of the Nicholas Company, Inc. and their family members;
- (4) Related parties of the Nicholas Funds or Nicholas Company, Inc.; and
- (5) An advisor to a group of investors that makes a cumulative initial purchase on behalf of their clients in an amount of \$100,000 or more.

Anyone who is eligible to purchase Class I shares of the Fund under any of the various provisions set forth above must include a written statement with the initial purchase order and application explaining which exception applies.

Under the Automatic Investment Plan, you may purchase Fund shares automatically on a monthly basis. You may authorize the Fund to withdraw \$50 or more from your bank on a monthly basis. To participate in this plan, you must complete the “Automatic Investment Plan” section of the application or contact the Fund at 800-544-6547 for additional information.

In compliance with the USA Patriot Act of 2001, please note that the transfer agent, U.S. Bancorp Fund Services, LLC (“U.S. Bancorp”), will verify certain information on your Account Application as part of the Fund’s Anti-Money Laundering Program. As requested on the Account Application, you must supply your full name, date of birth, social security number and permanent street address. Mailing addresses containing a P.O. Box will not be accepted as a permanent street address. Please contact U.S. Bancorp (800-544-6547 or 414-276-0535) if you need additional assistance when completing your application. Shares of the Fund have not been registered for sale outside of the United States. The Fund generally does not sell shares to investors residing outside of the United States, even if they are U.S. Citizens or lawful permanent residents, except to investors with U.S. military APO or FPO addresses.

If we do not have a reasonable belief of the identity of a customer, the account will be rejected or the customer will not be allowed to perform a transaction on the account until such information is received. The Fund also reserves the right to close the account within 5 business days if clarifying information or documentation is not received.

You should be aware that deposit of purchase and exchange requests in the mail or with other independent delivery services does not constitute receipt by U.S. Bancorp or the Fund.

Only bank accounts held at domestic financial institutions that are ACH members may be used for telephone or internet transactions. The ability to perform internet and telephone transactions will become effective approximately 15 business days after an application including bank instructions or a change of account options request to add or change bank instructions is received.

During periods of substantial economic or market changes or due to technical difficulties, you may have difficulty making internet or telephone purchases and exchanges. If you are unable to perform your transaction via the internet or by telephone, you may purchase and exchange Fund shares by delivering the request in person or by mail.

The Fund and its transfer agent are not responsible for the consequences of delays resulting from the banking or Federal Reserve wire system, or from incomplete wiring instructions. If you are making an initial investment by wire, you must first complete and return to the appropriate address an Account Application.

Due to fixed expenses incurred by the Fund in maintaining individual accounts, the Fund reserves the right to redeem accounts that fall below the minimum investment required due to shareholder redemption (but not solely due to a decrease in net asset value of the Fund). In order to exercise this right, the Fund will give advance written notice of at least 30 days to the accounts below such minimum. The Fund’s transfer agent may charge an activity fee for certain requests, including but not limited to, requesting stop payment on a redemption check and overnight delivery of redemption proceeds. Your mutual fund account may be transferred to your state of residence if no activity occurs within your account during the inactivity period specified in your State’s abandoned property laws.

Share ownership is electronically recorded. Accordingly, the Funds will not issue certificates representing Fund shares. The Fund’s transfer agent will credit the shareholder’s account with the number of shares purchased. Written confirmations are issued for all purchases of Fund shares.

**REDEMPTION AND EXCHANGE OF FUND SHARES**

<p><b>BY MAIL</b>  <b>Regular Mail:</b>          Nicholas Funds          c/o U.S. Bancorp Fund Services, LLC          P.O. Box 701          Milwaukee, Wisconsin 53201-0701</p> <p><b>Overnight Mail:</b>          Nicholas Funds          c/o U.S. Bancorp Fund Services, LLC          Third Floor          615 East Michigan Street          Milwaukee, Wisconsin 53202</p>	<p>Written redemption and exchange requests must include the name of the Fund, the account number(s), the amount of money or number of shares being redeemed or exchanged, the name(s) on the account(s) and the signature(s) of each registered account holder. If an account registration is individual, joint tenants, sole proprietorship, custodial (Uniform Transfer to Minors Act), or general partners, the written request must be signed exactly as the account is registered. If the account is owned jointly, all owners must sign.</p> <p>If you have certificates for your shares, you must send the certificate(s) for the full shares with your written redemption request signature guaranteed by an eligible “guarantor institution,” which is a bank, savings and loan association, credit union, or member firm of a national securities exchange to the above address. A notary public is not an acceptable guarantor.</p>
<p><b>BY INTERNET –</b>  <b>www.nicholasfunds.com</b>          The Fund must have bank instructions on file to redeem Fund shares this way.</p>	<p>Visit <a href="http://www.nicholasfunds.com">www.nicholasfunds.com</a> and click on “Account Access” to redeem or exchange shares to another fund in the Nicholas complex.</p>
<p><b>BY TELEPHONE – 800-544-6547</b>  <b>414-276-0535</b>          Telephone calls will be recorded.</p>	<p>Call the Fund’s transfer agent, U.S. Bancorp, during business hours (8:00 A.M. to 7:00 P.M. Central Time).</p>
<p><b>BY WIRE – 800-544-6547</b>  <b>414-276-0535</b></p>	<p>Call U.S. Bancorp to request wire redemptions.</p>
<p><b>SYSTEMATIC WITHDRAWAL PLAN</b>          U.S. Bancorp          800-544-6547 or 414-276-0535</p>	<p>Contact the Fund for additional information.</p>

**Other Information about Redeeming and Exchanging Fund Shares**

All redemptions and exchanges will be processed immediately upon receipt and written confirmations will be issued for all redemptions and exchanges of Fund shares. Once your redemption or exchange order has been accepted, you may not cancel or revoke it.

The Fund ordinarily pays for redeemed shares within seven days after receipt of a request in proper order, except as provided by the rules of the Securities and Exchange Commission. Redemption proceeds to be wired normally will be wired on the next business day after a NAV is determined. The Fund reserves the right to hold payment up to 15 days or until notified that investments made by check have been collected, at which time payment will be made.

You may instruct U.S. Bancorp to mail the proceeds to the address of record or to directly mail the proceeds to a pre-authorized bank account. Proceeds also may be wired to a pre-authorized account at a commercial bank in the United States. The transfer agent charges a \$15 wire redemption fee. In addition, proceeds also may be electronically transferred through the ACH to a pre-authorized account at no cost. Please contact the Fund for the appropriate form if you are interested in setting your account up with wiring instructions or authorizing electronic transfers.

You can redeem and exchange your shares by internet or telephone unless you decline this option in writing.

During periods of substantial economic or market changes or due to technical difficulties, you may have difficulty making internet or telephone redemptions and exchanges. If you are unable to perform your transactions via the internet or by telephone, you may redeem or exchange your shares by delivering the request in person or by mail.

Procedures for redeeming and exchanging Fund shares by internet or telephone may be modified or terminated at any time by the Fund or its transfer agent. The exchange privilege may be terminated or modified only upon 60 days advance notice to shareholders. Neither the Fund nor its transfer agent will be liable for following instructions communicated by the internet or telephone which they reasonably believe to be genuine. The Fund and its transfer agent will employ reasonable procedures to confirm that instructions received by telephone are genuine, and if they do not, they may be liable for losses due to unauthorized or fraudulent instructions.

***You may not fax your redemption or exchange request. The Fund will return and not process requests that contain restrictions as to the time or date redemptions and exchanges are to be effected.***

The Fund may require additional supporting documents for redemptions and exchanges made by corporations, executors, administrators, trustees and guardians. Specifically, if the account is registered in the name of a corporation or association, the request must be accompanied by a corporate resolution signed by the authorized person(s). A redemption or exchange request for accounts registered in the name of a legal trust must have a copy of the title and signature page of the trust agreement on file or must be accompanied by the trust agreement and signed by the trustee(s).

For federal income tax purposes, redemptions and exchanges generally are treated as a sale of the shares being redeemed or exchanged. You may recognize a capital gain or loss equal to the difference between the redemption or exchange price and your cost basis for the shares being redeemed or exchanged. An exchange between the funds involving master retirement plans and IRA accounts generally is not a taxable transaction for federal tax purposes. See "Dividends, Distributions and Federal Tax Status" for further information. If you have an individual retirement account ("IRA") or other retirement plan, you must indicate on your redemption requests whether or not to withhold federal income tax. Unless a redemption request specifies not to have federal income tax withheld, the transaction will be subject to withholding. Please consult your current IRA Disclosure Statement for any applicable fees. IRA redemptions may not be conducted using the internet.

Nicholas Company, Inc. also is the Adviser to Nicholas Limited Edition, Inc. and Nicholas High Income Fund, Inc., which offer both Class I and Class N shares, as well as Nicholas Equity Income Fund, Inc., Nicholas Fund, Inc. and Nicholas Money Market Fund, Inc., all of which have investment objectives as discussed in separate prospectuses.

If you choose to exercise the exchange privilege, your shares will be exchanged at their next determined NAV. Minimum investment requirements must be met, with the exception that if you were a shareholder of any of the Nicholas Funds discussed above as of March 1, 2005, you may qualify to exchange into the Class I shares of Nicholas II, Inc., Nicholas Limited Edition, Inc. and Nicholas High Income Fund, Inc. If you exercise an exchange into the Nicholas Money Market Fund, Inc. on a day

when the NYSE is open for trading but the Federal Reserve Banks are closed, your shares of the Fund will be redeemed on the day upon which the exchange request is received and your Nicholas Money Market Fund, Inc. shares will be issued. However, on days when the Federal Reserve Banks are closed, the Nicholas Money Market Fund, Inc. is unable to invest your exchanged amount; therefore you will not receive interest for this one-day period.

If you are interested in exercising the exchange privilege, you must obtain the appropriate prospectus from Nicholas Company, Inc.

A signature guarantee helps protect the Fund and shareholders against fraud. A signature guarantee of each owner is required in the following situations:

- if you change or transfer the registration of your account;
- if you change the bank account of record for your account;
- if you opted out of telephone or internet privileges and would like to re-establish these on your account;
- upon redemption of shares when certificates have been issued for your account;
- when you want the redemption proceeds sent to a different address than is registered on the account;
- if the redemption proceeds are to be made payable to someone other than the account owner(s);
- any redemption transmitted by federal wire transfer to your bank not previously set up with the Fund;
- if a change of address request has been received by the Fund or its transfer agent within 15 days of a redemption request; and
- for redemption requests greater than \$100,000.

Your redemption will not be processed until the signature guarantee, if required, is received in proper order. A notary public is not an acceptable guarantor. The Fund may waive or modify any signature guarantee requirements at any time.

*If you are uncertain about what documents or instructions are necessary in order to redeem and exchange shares, please write or call U.S. Bancorp (800-544-6547 or 414-276-0535) prior to submitting a request. A redemption or exchange request will not become effective until all documents are received in proper order.*

## **USE OF A PROCESSING INTERMEDIARY TO PURCHASE AND REDEEM FUND SHARES**

You can purchase and redeem shares of the Fund through certain broker-dealers, financial institutions and other service providers (“Processing Intermediaries”). Certain Processing Intermediaries are, in turn, authorized to designate other intermediaries to accept purchase and redemption orders on the Fund’s behalf. If you invest in the Fund through a Processing Intermediary, the Processing Intermediary rather than you may be the shareholder of record. Processing Intermediaries may use procedures and impose restrictions in addition to or different from those applicable to shareholders who invest in the Fund directly. You should read the program materials provided by the Processing Intermediary in conjunction with this Prospectus before you invest in the Fund this way.

Processing Intermediaries may charge fees or other charges for the services they provide to their customers. Such charges vary among Processing Intermediaries, but in all cases will be retained by the Processing Intermediary and not remitted to the Fund or the Adviser.

The Fund also may enter into an arrangement with some Processing Intermediaries which authorizes them to process purchase and redemption orders on behalf of the Fund on an expedited basis (an “Authorized Agent”). Receipt of a purchase or redemption order by an Authorized Agent will be deemed to be received by the Fund for purposes of determining the NAV of Fund shares to be

purchased or redeemed. If you place a purchase order through an Authorized Agent, you will pay the Fund's NAV next computed after the receipt by the Authorized Agent of such purchase order, plus any applicable transaction charges imposed by the Authorized Agent. For redemption orders placed through an Authorized Agent, you will receive redemption proceeds which reflect the NAV next computed after the receipt by the Authorized Agent of the redemption order, less any redemption fees imposed by the Authorized Agent.

Of course, you do not have to use the services of a Processing Intermediary, or pay the fees that may be charged for such services. You can invest directly with the Fund without a sales charge. If you hold Fund shares through a Processing Intermediary, you must redeem your shares through such Processing Intermediary. In such event, you should contact the Processing Intermediary for instructions on how to redeem. Otherwise, if you originally invested directly with the Fund, you can redeem Fund shares directly through the Fund without a redemption charge.

## **FREQUENT PURCHASES AND REDEMPTIONS OF FUND SHARES**

Frequent purchases and sales of fund shares may affect shareholders in various ways. Depending on various factors, including but not limited to, the size of the fund, the amount of assets the portfolio manager typically maintains in cash or cash equivalents, and the dollar amount, number and frequency of trades, short-term or excessive trading may disrupt the efficient management of the fund's portfolio, may impact fund performance and may increase brokerage, administrative and other expenses. The Fund reserves the right to reject any purchase request, including exchange requests from other Nicholas Funds, if the Fund regards the request as disruptive or if the Fund deems the request to have the potential to be disruptive. However, the Fund cannot ensure that its efforts will eliminate all risks of market timing.

Certain types of funds are particularly susceptible to market timing activity, including international and small-cap funds. This is due to the relative illiquidity and volatility of their holdings. While Nicholas II, Inc. primarily invests in the securities of domestic corporations with medium capitalizations, it has in the past and may continue to invest in the future to a lesser extent in the securities of entities with small capitalizations. To the extent that Nicholas II, Inc. invests in small capitalization entities in amounts that are material, Nicholas II, Inc. may be at greater risk for attempted market timing activity than funds that do not invest in the securities of corporations with small capitalizations.

The Fund discourages disruptive trading in Fund shares for abusive purposes in accordance with the policies and procedures adopted by the Fund's Board of Directors, which are reasonably designed to detect and discourage disruptive trading. These policies and procedures apply to any account, whether an individual account or an account referred to as an "omnibus account" where a financial intermediary holds Fund shares for a number of its customers in one account. Because there is currently no generally applied standard in the marketplace as to what level of trading activity is abusive, the Board of Directors elected not to adopt rigid rules specifying what activity is abusive or how suspected abusive activity will be addressed. In adopting the Fund's policies and procedures, the Board of Directors determined that it would be in the best interests of shareholders to provide flexibility in dealing with such activities.

Under the Fund's policies and procedures, the Fund currently uses various methods to deter disruptive activity in both individual and omnibus accounts, including but not limited to, selective monitoring of trading activity and undertaking preventive action designed to discourage and preclude disruptive traders from entering the Fund. We may consider trading in the Fund's shares to be disruptive if we detect one or more of the following in an account:

- Shares traded out of the Fund within a short period of time after the shares were purchased;
- Two or more purchases and redemptions are made within a short period of time;
- A series of transactions within the Fund that is indicative of a timing pattern or strategy; or
- One or more large trades relative to the Fund's overall size.

The Fund reserves the right to take responsive action to trading activity deemed disruptive by the Fund's compliance committee, even though such trades may not fall into one or more of these categories.

In connection with our review of suspected disruptive trading, we may, at our option, contact the individual or entity or the financial intermediary believed to be engaged in or to have facilitated such trading. If we reasonably believe that the trading was disruptive, we will ask that investor or financial intermediary to refrain from such activity in the future. In addition, the investor or financial intermediary may be restricted from future purchases into the Fund and may also be restricted from future purchases of shares offered by any of the funds in the Nicholas fund complex.

In determining what action to take with respect to suspected disruptive trading activity, the Fund will act in a manner that is consistent with the best interests of the Fund's shareholders by making independent assessments of instances or patterns of potentially improper conduct in a manner consistent with the policies and procedures approved by the Board of Directors.

While the Fund does not accommodate market timing activities engaged in for abusive purposes, the methods used by the Fund to deter and detect market timing activities involve judgments that are inherently subjective and our response to potentially disruptive trading activity may not be uniform. This means that the Fund may not take remedial action against investors detected engaging in a disruptive trade for reasons believed by the Fund to be legitimate and non-abusive. Examples of legitimate trading activities include, but may not be limited to, asset allocation, dollar cost averaging, emergency liquidations, estate planning measures or similar activities that may nonetheless arguably result in disruptive trading of Fund shares.

There is a risk that the Fund's policies and procedures will prove ineffective in whole or in part to detect or prevent abusive market timing activities. For example, it may be difficult for the Fund to identify such activities engaged in by investors through the use of omnibus accounts administered by financial intermediaries who transmit purchase, exchange, or redemption orders to the Fund on behalf of their customers who are the beneficial owners. Short-term trading by these investors is likely to go undetected by the Fund.

If the Fund is unable to detect and deter trading abuses, the Fund's performance, and its long-term shareholders, may be harmed. In addition, because the Fund has not adopted specific limitations or restrictions on the trading of Fund shares, shareholders may be harmed by the extra costs and portfolio management inefficiencies that result from excessive or disruptive trading of Fund shares, even when the trading is not for abusive purposes.

## **TRANSFER OF FUND SHARES**

You may transfer Fund shares in instances such as the death of a shareholder, change of account registration, change of account ownership and in cases where shares of the Fund are transferred as a gift. You can obtain documents and instructions necessary to transfer Fund shares by writing or calling U.S. Bancorp (800-544-6547 or 414-276-0535) prior to submitting any transfer requests.

## **DISTRIBUTION OF FUND SHARES**

Quasar Distributors, LLC (the "Distributor"), 615 East Michigan Street, Milwaukee, Wisconsin, 53202, serves as the distributor and principal underwriter of the Funds' shares. The Distributor is a registered broker-dealer and member of the Financial Industry Regulatory Authority, Inc. ("FINRA").

## **DIVIDENDS, DISTRIBUTIONS AND FEDERAL TAX STATUS**

The Fund intends to qualify annually as a "regulated investment company" under the Internal Revenue Code of 1986 and intends to take all other action required to ensure that little or no federal income or excise taxes will be payable by the Fund. As a result, the Fund generally will seek to distribute to its shareholders substantially all of its net investment income and net realized capital gain.

For federal income tax purposes, dividends and distributions by the Fund, whether received in cash or invested in additional shares of the Fund, will be taxable to the Fund's shareholders, except those

shareholders that are not subject to tax on their income. Net realized long-term gains are paid to shareholders as capital gain distributions. Income distributed from the Fund's net investment income and net realized short-term gains are paid to shareholders as ordinary income dividends. Distributions generally will be made annually in December. Distributions may be taxable at different rates depending on the length of time the Fund holds a security. The Fund will provide information to shareholders concerning the character and federal tax treatment of all dividends and distributions. If you elect to receive distributions and/or capital gains paid in cash, and the U.S. Postal Service cannot deliver the check, or if a check remains outstanding for six months, the Fund reserves the right to reinvest the distribution check in your account, at the Fund's current net asset value, and to reinvest all subsequent distributions.

At the time of purchase of Fund shares, the Fund may have undistributed income or capital gains included in the computation of the NAV. Therefore, a dividend or capital gain distribution received shortly after such purchase by a shareholder may be taxable to the shareholder, although it is, in whole or in part, a return of capital and may have the effect of reducing the NAV.

Under federal law, some shareholders may be subject to "backup withholding" on reportable dividends, capital gain distributions (if any) and redemption payments. Generally, shareholders subject to backup withholding will be those (i) who, to the Fund's knowledge, have furnished an incorrect taxpayer identification number, or (ii) who have failed to declare or underreported certain income on their federal returns. When establishing an account, you must certify under penalties of perjury that the taxpayer identification number you give to the Fund is correct and that you are not subject to backup withholding.

The foregoing tax discussion relates to federal income taxes only and is not intended to be a complete discussion of all federal tax consequences. You should consult with a tax adviser concerning the federal, state and local tax aspects of an investment in the Fund.

## **DIVIDEND AND DISTRIBUTION REINVESTMENT PLAN**

Unless you elect to accept cash in lieu of shares, all dividends and capital gain distributions are automatically reinvested in additional shares of the Fund through the Dividend and Distribution Reinvestment Plan (the "Reinvestment Plan"). You may elect to accept cash on an application to purchase shares, by telephone or by separate written notification. All reinvestments are at the NAV in effect on the dividend or distribution date and are credited to the shareholder's account. U.S. Bancorp will notify you of the number of shares purchased and the price following each reinvestment period.

You may withdraw from or thereafter elect to participate in the Reinvestment Plan at any time by giving written or telephonic notice to U.S. Bancorp. The Fund's transfer agent must receive an election prior to the dividend record date of any particular distribution for the election to be effective for that distribution. If an election to withdraw from or participate in the Reinvestment Plan is received between a dividend record date and payment date, it shall become effective on the day following the payment date. The Fund may modify or terminate the Reinvestment Plan at any time on 30 days written notice to participants.

## **SYSTEMATIC WITHDRAWAL PLAN**

If you own \$10,000 or more of Fund shares at the current market value, you may open a Systematic Withdrawal Plan (the "Plan") and receive monthly, quarterly, semiannual or annual payments for any designated amount. You may elect to have a check sent to you at your address of record, or proceeds can be sent directly to your predesignated bank account via electronic funds transfer through the Automated Clearing House network. When you participate in the Plan all income and capital gain dividends should be reinvested in shares of the Fund. U.S. Bancorp reinvests all income and capital gain dividends in shares of the Fund. You may add shares to, withdraw shares from, or terminate the Plan, at any time. Each withdrawal may be a taxable event to you. Liquidation of shares in excess of distributions may deplete or possibly use up the initial investment, particularly in the event of a market decline, and withdrawals cannot be considered a yield or income on the investment. In addition to termination of the Plan by the Fund or shareholders, the Fund's transfer agent may terminate the Plan upon written notice mailed to the shareholders. Please contact Nicholas Company, Inc. for copies of the Plan documents.

## **TAX DEFERRED ACCOUNTS**

If you are eligible, you may set up one or more tax deferred accounts. A contribution to certain of these plans also may be tax deductible. The Fund offers the following tax deferred accounts: traditional, Roth, SEP, and SIMPLE IRAs; a Master Retirement Plan for self-employed individuals and partnerships; and Coverdell Savings Accounts for qualified education expenses for children under 18. A description of applicable service fees and application forms are available upon request from the Fund. These documents also contain a Disclosure Statement, which the IRS requires to be furnished to individuals who are considering adopting these plans. It is important that you obtain up-to-date information from the Fund before opening a tax deferred account. Investors should consult with their tax adviser or legal counsel before investing in a tax deferred account.

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*Investment Adviser*  
NICHOLAS COMPANY, INC.  
Milwaukee, Wisconsin  
414-272-6133 or 800-227-5987

*Distributor*  
QUASAR DISTRIBUTORS, LLC  
Milwaukee, Wisconsin

*Transfer Agent*  
U.S. BANCORP FUND SERVICES, LLC  
Milwaukee, Wisconsin  
414-276-0535 or 800-544-6547

*Custodian*  
U.S. BANK N.A.  
Milwaukee, Wisconsin

*Independent Registered Public Accounting Firm*  
Deloitte & Touche LLP  
Milwaukee, Wisconsin

*Counsel*  
MICHAEL BEST & FRIEDRICH LLP  
Milwaukee, Wisconsin

## **FOR MORE INFORMATION ABOUT THE FUND:**

The Fund's Statement of Additional Information ("SAI"), dated January 31, 2012, contains more detailed information on all aspects of Nicholas II, Inc., and is incorporated by reference in this Prospectus. Additional information about the Fund also is available in the Fund's Annual and Semiannual Report to Shareholders. The Fund's Annual report discusses the market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

To request a free copy of the current Annual/Semiannual report or SAI or other information about the Fund, or to make shareholder inquiries, please write or call: Nicholas II, Inc., 700 North Water Street, Milwaukee, Wisconsin 53202, 800-544-6547 (toll-free). Along with the Fund's Annual/Semiannual Report and SAI, additional information about the Fund also can be obtained from the Fund's Internet website at [www.nicholasfunds.com](http://www.nicholasfunds.com).

In addition, you can review and copy the Fund's reports and SAI at the Commission's Public Reference Room of the Securities and Exchange Commission in Washington, D.C. Information on the operation of the Commission's Public Reference Room may be obtained by calling the SEC at 202-942-8090. Reports and other information about the Fund also are available on the SEC's Internet website at [www.sec.gov](http://www.sec.gov). For a duplicating fee, copies of such information may be obtained by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Commission's Public Reference Section of the SEC, Washington, D.C. 20549-0102.

For the most current price and return information for the Fund, you may call the Fund at 800-544-6547 (toll-free) or 414-276-0535 or check the Fund's website at [www.nicholasfunds.com](http://www.nicholasfunds.com). You also can find the most current price of the Fund's shares in the business section of your newspaper in the mutual fund section under the heading "Nicholas Group" – "Nch II." If you prefer to obtain this information from an on-line computer service, you can do so by using the ticker symbol "NCTWX" or the cusip number 653740100.