



Annual Shareholder Report

October 31, 2025

This annual shareholder report contains important information about Nicholas Equity Income Fund, Inc. (the "Fund") for the period of April 1, 2025 to October 31, 2025. You can find additional information about the Fund at www.nicholasfunds.com/FundMaterials. You can also request this information by contacting us at 1-800-544-6547.

This report describes changes to the Fund that occurred during the reporting period.

What Were the Portfolio Costs for the Last Seven Months?^(*) (based on a hypothetical \$10,000 investment)

Portfolio Name	Costs of a \$10,000 Investment	Annualized Costs Paid as a Percentage of a \$10,000 Investment
Nicholas Equity Income Fund	\$73	0.70%

(*) The Fund changed its fiscal year end to October 31 during the period. The period is from April 1, 2025 to October 31, 2025. Expenses for a 12-month reporting period would be higher.

How Did the Fund Perform Last Year and What Affected its Performance?

For the seven-month period ended October 31, 2025, the Fund returned 7.39%.

Positioning

The Fund is typically invested in more stable dividend-paying companies compared to its benchmark, the Standard & Poor's 500 Index. With this positioning, which tends to favor predictability of earnings and cash flow over the absolute level of growth of same, the Fund generally lags in strong up markets or narrow breadth environments where a few large benchmark weights, many of which do not pay dividends so typically are not considered for the Fund, drive Index returns as was the case over the period.

Performance

The Fund posted a positive return for the period, while underperforming relative to its benchmark, the S&P 500 Index. Equity market returns were strong but concentrated within sectors such as information technology and communication services experiencing tailwinds from the artificial intelligence (AI) and crypto booms. Unfortunately, a number of these top-performing benchmark constituents do not offer dividends or yield levels the Fund finds attractive, so are typically not investment candidates for the Fund.

What factors influenced performance?

The period featured strong equity performance in what the investment team would deem a "risk on" environment since early April's "Liberation Day". With the AI and crypto-fueled booms, sector outperformance was concentrated within the S&P 500's communications services and information technology sectors, where

the Fund remained underweight due to unsuitable dividend profiles and in some instances, underlying fundamental reasons. The Fund benefitted from its financials exposure for the period. The Fund did benefit from its holdings in the biotechnology and pharmaceutical industries over the course of the period relative to the benchmark.

Top Contributors:

The largest contributor to the Fund's performance was positive stock selection within the financials sector.

Individual name contributors (portfolio contribution to return basis):

- Broadcom Inc. (AVGO)
- Oracle Corporation (ORCL)
- Microsoft Corporation (MSFT)

Top Detractors:

Negative security selection within the industrials sector and a sector underweight of the information technology sector detracted from the Fund's performance.

Individual name detractors (portfolio contribution to return basis):

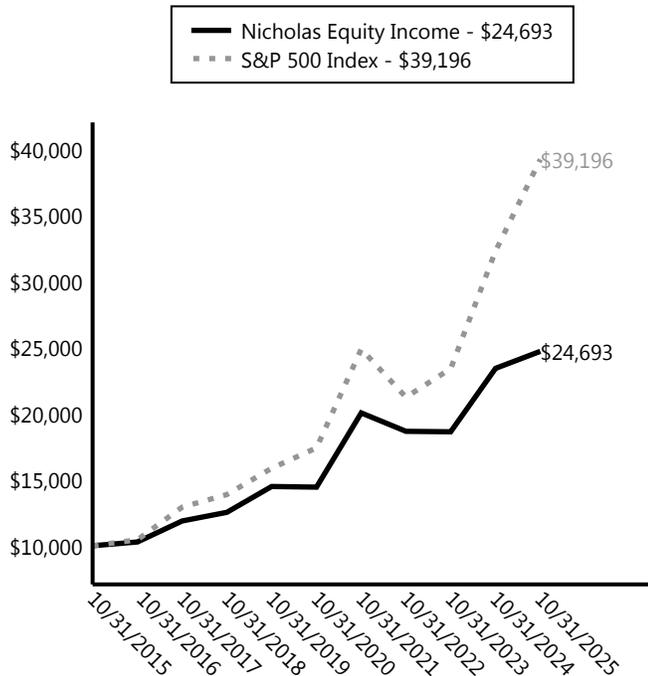
- UnitedHealth Group (UNH)
- Accenture Plc Class A (ACN)
- Watsco, Inc. (WSO)

Investment approaches cycle in and out of favor, and a focus on quality dividend-paying businesses with sustainable competitive advantages while remaining cognizant of valuations has been out of favor since the market bottom of October 2022. The investment team remains focused on owning what we believe are high-quality dividend paying companies with sustainable competitive advantages, consistent revenue and earnings growth, strong balance sheets, capable management teams, and trading at reasonable valuations.

Comparison of a Change in Value of a \$10,000 Investment As of October 31, 2025

The following graph compares the initial account value and subsequent account value at the end of each of the most recently completed ten fiscal years of the Fund to the same investment over the same periods in the S&P 500 Index. The graph assumes a \$10,000 investment in the Fund and the index at the beginning of the period. The comparison is shown for illustrative purposes only.

The Standard & Poor's (S&P) 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general.



Average Annual Total Returns As of October 31, 2025

	7 Months	1 Year	5 Years	10 Years
Nicholas Equity Income Fund	7.39%	5.50%	11.34%	9.46%
S&P 500 Index	22.76%	21.45%	17.64%	14.64%

The Fund's past performance is not a good predictor of how the Fund will perform in the future.

The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance data current to the most recent month-end may be obtained by visiting www.nicholasfunds.com/returns.

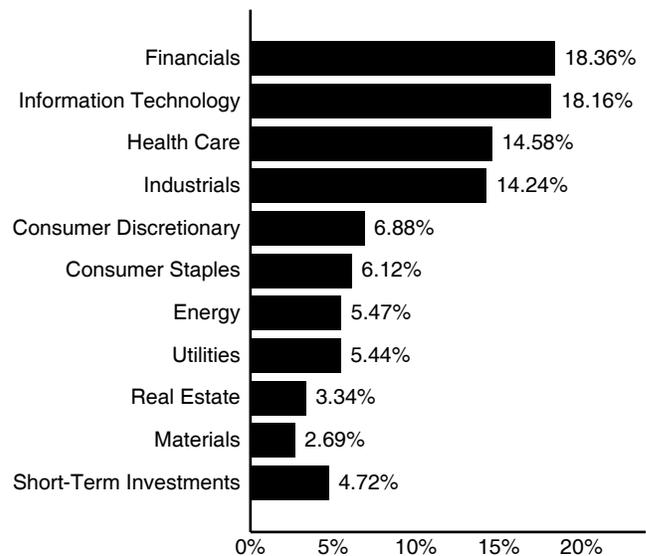
Key Fund Statistics As of October 31, 2025

Net Assets	\$454,802,742
Number of Portfolio Holdings	61
Portfolio Turnover Rate	13.72%
Total Advisory Fees Paid	\$1,622,512

Top Ten Equity Holdings As of October 31, 2025

Name	Percentage of Net Assets
Microsoft Corporation	3.87%
Broadcom Inc.	3.09%
Chevron Corporation	2.77%
Analog Devices, Inc.	2.72%
JPMorgan Chase & Co.	2.67%
CMS Energy Corporation	2.61%
TJX Companies Inc	2.53%
Abbott Laboratories	2.41%
Charles Schwab Corp	2.37%
Union Pacific Corporation	2.29%
Total of top ten	27.33%

Sector Diversification (As a Percentage of Total Investments) As of October 31, 2025



How Has the Fund Changed?

Changes in fiscal and tax year end: Effective April 1, 2025, the Fund's fiscal and tax year ends changed from March 31 to October 31. The Fund continued to follow its March 31 regulatory reporting schedule through September 30, 2025, after which it prepared this annual report for the 7-month period ended October 31, 2025.

Portfolio Manager update: Effective November 1, 2025, Michael Shelton is no longer a Portfolio Manager of the Fund.

Where Can I Find Additional Information About the Fund?

Additional information is available on the Fund's website, www.nicholasfunds.com/FundMaterials, including its:

- prospectus
- financial information
- proxy voting information

Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those of other members of your household, please call the Fund at 1-800-544-6547.