



Annual Shareholder Report

October 31, 2025

This annual shareholder report contains important information about Nicholas II, Inc. (the "Fund") - Class I (the "Class") for the period of October 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 Month? (*) (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
Class I	\$60	0.61%

(*) The Fund changed its fiscal year end to October 31 during the period. The period is from October 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 one-month period ended October 31, 2025, the Fund's Class I returned -2.15%.

Positioning

The Fund is typically exposed to more stable growth companies relative to its benchmark, the Russell Midcap Growth Index. With this positioning, the Fund can lag in strong equity returns environments.

Performance

The Fund's Class I posted a negative return during the period, underperforming relative to its benchmark. Overall equity market returns were concentrated within sectors and securities experiencing tailwinds from the artificial intelligence (AI) and crypto booms. Stable growth companies, examples of which are held in the Fund, experienced multiple compression despite reasonably strong earnings and cash flow growth. Accommodative monetary policy from the Federal Reserve, which began reducing its fed funds target rate again in September after pausing since December 2024, also led to the outperformance of interest rate-sensitive areas such as industrials during the period.

What factors influenced performance?

The period can be characterized as what the investment team would deem a "risk on" environment led by lower quality companies, many of which are cyclical in nature with less predictable or limited earnings growth and cash flow generation, characteristics which the Fund seeks to avoid in its holdings.

Top Contributors:

The largest contributors to the Fund's performance were a sector underweight within the communication services sector and a sector

overweight within the information technology sector.

Individual name contributors (contribution to return basis):

- Mettler-Toledo International (MTD)
- Zscaler, Inc. (ZS)
- MongoDB, Inc. Class A (MDB)

Top Detractors:

Negative security selection within the industrials and information technology sectors detracted from the Fund's performance.

Individual name detractors (contribution to return basis):

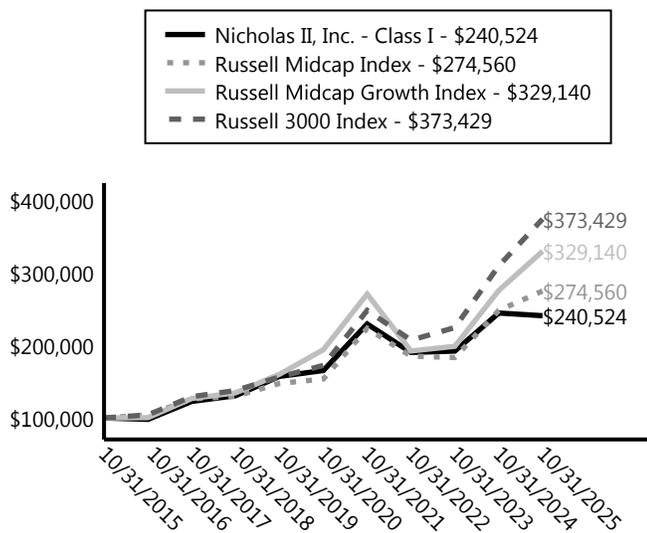
- CoStar Group, Inc. (CSGP)
- O'Reilly Automotive, Inc. (ORLY)
- Chipotle Mexican Grill, Inc. (CMG)

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

Comparison of a Change in Value of a \$100,000 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 Class to the same investment over the same periods in the Russell Midcap Index, the Russell Midcap Growth Index and the Russell 3000 Index. The graph assumes a \$100,000 investment in the Fund and the indices at the beginning of the period. The comparison is shown for illustrative purposes only.

The **Russell Midcap Index** measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 Index. The **Russell Midcap Growth Index** measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. The **Russell 3000 Index** measures the performance of the largest 3,000 US companies designed to represent approximately 98% of the investable US equity market.



Average Annual Total Returns As of October 31, 2025

	1 Month	1 Year	5 Years	10 Years
Nicholas II, Inc. - Class I	-2.15%	-1.52%	7.80%	9.17%
Russell 3000 Index	2.14%	20.81%	16.74%	14.08%
Russell Midcap Growth Index	-0.28%	19.59%	11.17%	12.65%
Russell Midcap Index	-0.83%	10.79%	12.33%	10.63%

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.

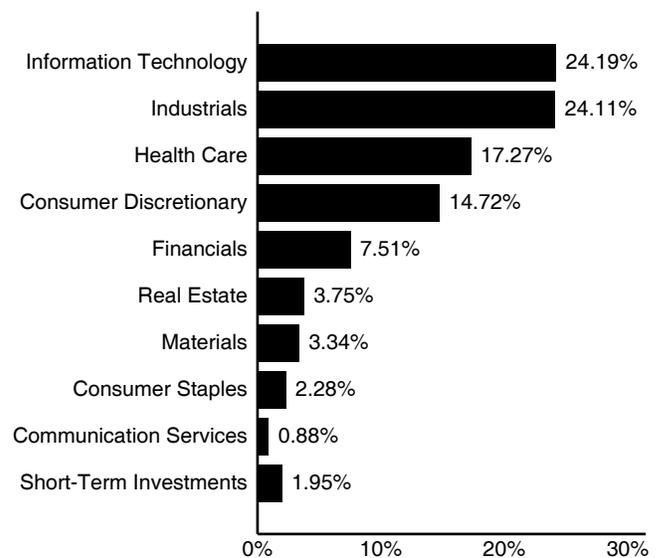
Key Fund Statistics As of October 31, 2025

Net Assets	\$999,820,199
Number of Portfolio Holdings	70
Portfolio Turnover Rate	0.32%
Total Advisory Fees Paid	\$448,716

Top Ten Equity Holdings As of October 31, 2025

Name	Percentage of Net Assets
Zscaler, Inc.	2.54%
Vulcan Materials Company	2.43%
PTC Inc.	2.36%
Teledyne Technologies Incorporated	2.31%
CBRE Group, Inc. Class A	2.30%
O'Reilly Automotive, Inc.	2.29%
AMETEK, Inc.	2.29%
Dynatrace, Inc.	2.22%
Mettler-Toledo International Inc.	2.12%
TransUnion	2.05%
Total of top ten	22.91%

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

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.