



Annual Shareholder Report

September 30, 2024

This annual shareholder report contains important information about Nicholas II, Inc. (the "Fund") - Class I (the "Class") for the period of October 1, 2023 to September 30, 2024. You can find additional information about the Fund at www.nicholasfunds.com. You can also request this information by contacting us at 1-800-544-6547.

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

Portfolio Name	Costs of a \$10,000 investment	Costs paid as a percentage of a \$10,000 investment
Class I	\$65	0.59%

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

For the one-year period ended September 30, 2024, the Fund's Class I returned 21.54%.

Positioning

The Fund has historically been exposed to more stable growth companies relative to its benchmark, the Russell Midcap Growth Index. With this positioning, the Fund generally lags in strong equity returns environments such as those observed in the last fiscal year.

Performance

The Fund's Class I posted a positive return during the period, while underperforming relative to its benchmark. Overall equity market returns were strong due to reasonably strong earnings growth, a stable employment picture and the anticipation of accommodative Federal Reserve action, with the first cut of this cycle occurring at the September 2024 Federal Open Markets Committee meeting. These factors also helped the Fund's performance.

What factors influenced performance?

The fiscal year was marked by strong equity performance, including relative strength in interest rate-sensitive sectors such as financials and real estate where the Fund had less exposure than its benchmark.

Top Contributors:

The largest contributors to the Fund's performance were the lack of exposure to the energy sector and positive security selection within communication services.

Individual name contributors (contribution to return basis):

- CyberArk Software (CYBR)
- Westinghouse Air Brake Technologies (WAB)
- CrowdStrike Holdings (CRWD)

Top Detractors:

Negative security selection within the consumer discretionary and information technology sectors detracted from the Fund's performance. Cash held within the Fund was also a 98 basis point drag on performance for the fiscal year.

Individual name detractors (contribution to return basis):

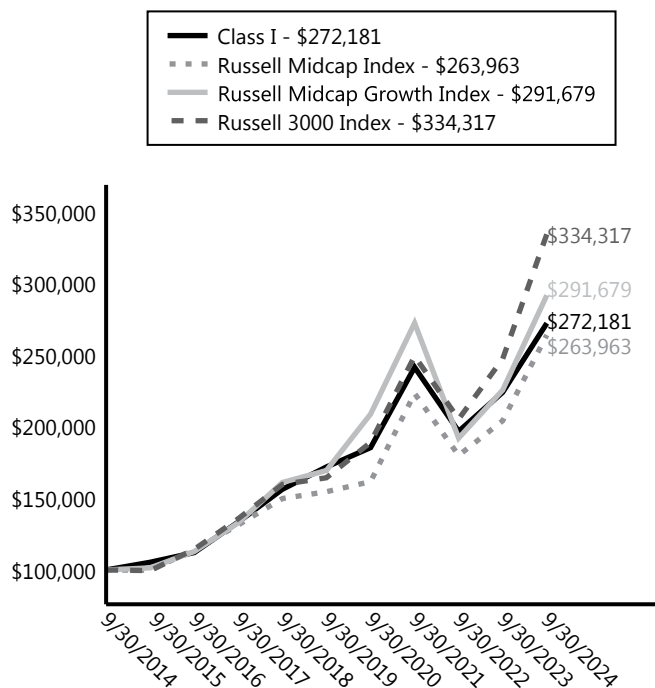
- Stevanato Group SpA (STVN)
- Lamb Weston Holdings (LW)
- Okta, Inc. (OKTA)

Investment styles can cycle in and out of favor, and our style with a focus on higher quality businesses with sustainable competitive advantages while being cognizant of the price paid has been out of favor during the current market cycle's infatuation with "growth at any price" technology stocks. 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, operated by responsible management teams, and that are trading at reasonable valuations.

Comparison of a Change in Value of a \$100,000 Investment

As of September 30, 2024

The following graph compares the performance of the Class to that of the Russell 3000 Index, the Russell Midcap Index and the Russell Midcap Growth Index. The indices are not available for investment and are unmanaged. The returns for the indices do not reflect charges, expenses or taxes but do include the reinvestment of dividends, if any. The comparison is shown for illustrative purposes only.



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.

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.

Average Annual Total Returns

As of September 30, 2024

	1 Year	5 Year	10 Year
Nicholas II, Inc. - Class I	21.54%	9.63%	10.53%
Russell 3000 Index	35.19%	15.26%	12.83%
Russell Midcap Growth Index	29.33%	11.48%	11.30%
Russell Midcap Index	29.33%	11.30%	10.19%

The performance data quoted represents past performance and are no guarantee of future performance. The investment return and principal value of the an investment will fluctuate so that an investment, when redeemed, may be worth more or less than its original cost. The performance data includes reinvestment of all dividends and distributions but does 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.html.

Key Fund Statistics

As of September 30, 2024

Net Assets	\$1,122,200,651
Number of Portfolio Holdings	65
Portfolio Turnover Rate	9.52%
Total Advisory Fees Paid	\$5,507,273

Top Ten Equity Holdings

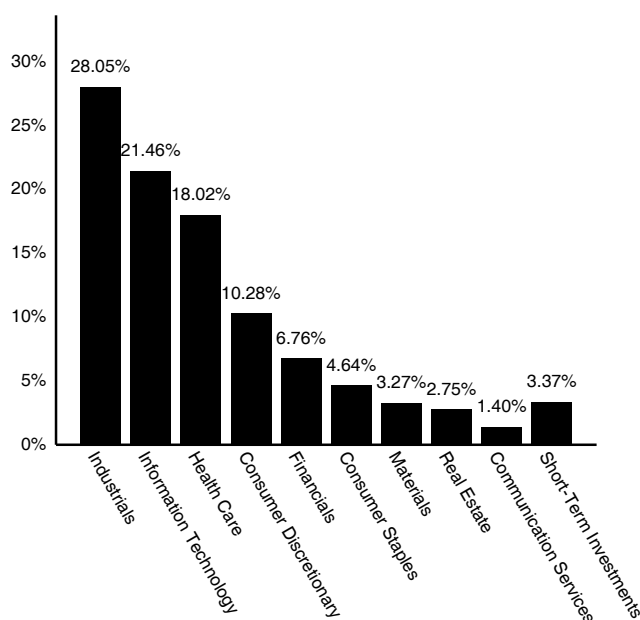
As of September 30, 2024

Name	Percentage of Net Assets
O'Reilly Automotive, Inc.	2.78%
TransUnion	2.52%
CyberArk Software Ltd.	2.33%
Gartner, Inc.	2.21%
Vulcan Materials Company	2.15%
Dynatrace, Inc.	2.09%
AMETEK, Inc.	2.06%
BJ's Wholesale Club Holdings, Inc.	2.01%
Mettler-Toledo International Inc.	2.00%
CDW Corporation	1.98%
Total of top ten	22.13%

Sector Diversification (As a Percentage of Total Investments)

Graphical Representation of Holdings

As of September 30, 2024



Where can I find additional information about the Fund?

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

- prospectus
- financial information
- proxy voting information

Mailings of your shareholder documents may be househanded 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.