

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

Current Report  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
March 5, 2002 (February 9, 2002)

JAKKS PACIFIC, INC.  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	0-28104 (Commission File Number)	95-4527222 (I.R.S. Employer Identification No.)
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22619 Pacific Coast Highway Malibu, California (Address of principal executive offices)	90265 (Zip Code)
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Registrant's telephone number, including area code: (310) 456-7799

JAKKS PACIFIC, INC.  
INDEX TO FORM 8-K  
FILED WITH THE SECURITIES AND EXCHANGE COMMISSION  
MARCH 5, 2002

ITEMS IN FORM 8-K

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ITEM 5. OTHER EVENTS.

On February 9, 2002, we announced in a press release our proposed acquisition of Toymax International, Inc. and on February 12, 2002, we announced in a press release our financial results for the fiscal year ended December 31, 2001. A copy of these press releases are attached to this Report as Exhibits 99.1 and 99.2, respectively, and are hereby incorporated herein by reference. For a more detailed discussion of the proposed Toymax International, Inc. acquisition, you are referred to the Current Report on Form 8-K filed by Toymax International, Inc. on February 22, 2002.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) EXHIBITS

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -
99.1*	Press Release of the Company dated February 9, 2002
99.2*	Press Release of the Company dated February 12, 2002

- - - - -  
\* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 5, 2002

JAKKS PACIFIC, INC.

By:/s/ Jack Friedman

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Jack Friedman  
Chairman and Chief Executive Officer

EXHIBIT INDEX

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- - - - -  
\* Filed herewith.

CONTACTS:

Genna Goldberg  
JAKKS Pacific, Inc.  
(310) 455-6235

Philip Bourdillon/Eugene Heller  
Silverman Heller Associates  
(310) 208-2550

FOR IMMEDIATE RELEASE

JAKKS Pacific, Inc. Announces Proposed Acquisition of  
Toymax International, Inc.

MALIBU, CALIF. -- FEBRUARY 9, 2002 -- JAKKS PACIFIC, INC. (NASDAQ NM: JAKK) today announced that it has entered into definitive agreements to acquire TOYMAX INTERNATIONAL, INC. (NASDAQ: TMAX), in a two-step transaction. Toymax's principal stockholders have agreed, in the first phase, to sell all of their shares of Toymax's common stock, representing approximately 64% of Toymax's outstanding shares, to JAKKS for \$4.50 per share payable \$3.00 in cash and by delivery of JAKKS common stock having a value of \$1.50. In the second step, Toymax's remaining stockholders will receive the same share price in a merger in which Toymax will become a wholly-owned subsidiary of JAKKS. The transaction is subject to customary closing conditions, including compliance with the Hart-Scott-Rodino waiting period and other regulatory approvals and, as to the merger, the approval of Toymax's stockholders. The parties expect to complete the first phase of the transaction in late February, at which point JAKKS will acquire operating control of Toymax, and to complete the second phase in the second quarter, 2002.

"We are excited about this significant acquisition for JAKKS," said Jack Friedman, JAKKS Pacific's Chairman and Chief Executive Officer. "Toymax's business encompasses diverse product lines, with excellent brand recognition, which we expect will mesh well with our existing products. We believe that Toymax is the perfect fit for us -- the acquisition further solidifies our position as a leader in the industry and further enhances our growth prospects."

Stephen Berman, JAKKS Pacific's President and Chief Operating Officer, added, "We expect the Toymax acquisition to help diversify JAKKS Pacific's business by adding new product categories, sales channels and manufacturing capabilities abroad. As we did with our Pentech acquisition, we plan to initially reduce Toymax's sales volume to focus on its proprietary and profitable lines, while at the same time integrating the company into JAKKS in order to increase operating efficiencies. Once the integration of the company into JAKKS is completed we will then focus on again growing sales with increased profitability. We expect the acquisition to be accretive to 2002 earnings and the result should be a far stronger company in all respects."

Steve Lebensfield, Chief Executive Officer of Toymax said, "We believe JAKKS' acquisition of Toymax will create exciting opportunities and synergies. JAKKS' growth in the toy industry has been an enormous success, making it one of the largest and fastest growing in our industry. The addition of Toymax will contribute to its growth in JAKKS' future and make it even more of a force in our industry."

Toymax ([www.Toymax.com](http://www.Toymax.com)) is a children's consumer products company that creates, designs and markets innovative and technologically advanced toys and leisure products. Toymax products promote fun and creative play, and are available under several brands: Toymax(R) toys, such as R.A.D.(TM) Robot, Mighty Mo's(TM) vehicles, Laser Challenge(TM) gear, Creepy Crawlers(R) Bug Maker(TM) and the award winning TMX RC(TM) Dragonfly(TM) radio controlled vehicle; Funnoodle(R) pool and water toys and accessories; Go Fly a Kite(R) kites, lawn and home decor; Candy Planet(TM) candy products; and Monogram International gift, novelty and souvenir products. Toymax is headquartered in Plainview, N.Y. and its products are available at retailers worldwide.

JAKKS Pacific, Inc. is a multi-brand toy company that designs, develops, produces and markets toys and related products under various brand names (including Flying Colors(R), Road Champs(R), Remco(R), Child Guidance(R), and Pentech(R)) in multiple product categories, including: Wheels; Action Figures; Art/Activities/Stationery; Infant/Pre-School; Writing Instruments; Plush; and Dolls. The Company also participates in a joint venture with THQ Inc. that has exclusive worldwide rights to publish and market World Wrestling Federation(R) video games. Additional information is available at [www.jakksacific.com](http://www.jakksacific.com).

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This news release contains forward-looking statements. Such statements reflect the current views of the company with respect to future events and are subject to certain risks, uncertainties and assumptions. Although the company believes that the expectations reflected in such forward-looking statements are reasonable, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual future results or events may vary materially from those described herein.

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CONTACTS:

Joel Bennett  
Chief Financial Officer  
(310) 456-7799

Philip Bourdillon/Eugene Heller  
Silverman Heller Associates  
(310) 208-2550

JAKKS PACIFIC REPORTS  
NET SALES AND INCOME FOR 2001

-- Further Growth Expected in 2002 --

MALIBU, CALIFORNIA -- FEBRUARY 12, 2002 -- JAKKS PACIFIC, INC. (NASDAQ NM: JAKK) today reported net sales and net income for its fiscal fourth quarter and year ended December 31, 2001.

For the year, net sales were a record \$284.4 million compared to \$252.3 million in 2000, an increase of 12.7%. Net income on a pro forma basis increased 11.5% to \$32.0 million, or \$1.65 per diluted share, from \$28.7 million, or \$1.41 per diluted share, in the prior year. Including a special reserve of \$5.0 million relating to Kmart Corporation's recent bankruptcy filing, net income was \$28.2 million, or \$1.45 per diluted share. Also included in the full year net income are non-cash charges of \$2.6 million and \$0.1 million for 2001 and 2000, respectively, relating to the 2000 price reset of certain of the Company's outstanding stock options. In 2001, the THQ/JAKKS joint venture contributed profit of \$6.7 million compared to \$15.9 million in 2000. Fully diluted shares outstanding were 19.4 million in 2001 and 20.3 million in 2000.

Fourth-quarter net sales were \$61.4 million compared to \$59.1 million a year ago, and net income on a pro forma basis was \$8.1 million, or \$0.42 per diluted share, compared to net income of \$6.0 million, or \$0.32 per diluted share, in the fourth quarter of 2000. Including the special reserve of \$5.0 million, net income was \$4.4 million, or \$0.22 per diluted share. Also included in the fourth quarter results were non-cash charges of \$1.1 million and \$0.1 million for 2001 and 2000, respectively, relating to the 2000 stock option price reset. In the fourth quarter of 2001, the THQ/JAKKS joint venture contributed profit of \$5.7 million compared to \$7.7 million in 2000. Fully diluted shares outstanding were 19.8 million in 2001 and 18.6 million in 2000.

"While 2001 was clearly a challenging year for our economy and the retail industry, JAKKS nonetheless remained true to its core business model and was able to continue both internal and external growth," noted Jack Friedman, Chairman and Chief Executive Officer of JAKKS Pacific. "We are proud that despite a difficult year the retail sector has endured, we have continued our year-over-year growth, and kept tight reins on our operations both domestically and overseas. Now more than ever we are looking forward to aggressively looking to new distribution channels to further propel our position with the industry."

At fiscal year-end, JAKKS Pacific had \$115.1 million in working capital, including \$62.2 million in cash and marketable securities, nominal debt, and shareholders' equity of approximately \$244.4 million. "Given our exceptionally strong balance sheet, in addition to \$50 million in available credit, we are in an excellent position to continue to execute on our strategy of internal and external growth in 2002," continued Friedman.



"We expect 2002 will be another record year for JAKKS, with new introductions expected in all segments," said Stephen Berman, President and Chief Operating Officer of JAKKS Pacific. "New introductions this year include new writing instruments using gel ink technologies, extensions to our extreme sports toy lines with gyros, and new World Wrestling Federation(R) action figures and accessories scheduled for release this year. Likewise, with the industry's transition to new video game hardware essentially complete, and with several exciting new titles due for release, we anticipate substantially higher profits from JAKKS' World Wrestling Federation video game joint venture with THQ Inc. In light of two recent announcements -- our distribution arrangement with Funtastic Limited in Australia, and our acquisition of Kidz Biz Ltd. in the UK -- international sales, which last year represented approximately 11.8% of total net sales, are expected to play an increasingly important role in top-line growth.

"Also in 2002, with the inclusion of the Toymax acquisition, we expect to have record sales of \$360 million to \$380 million and diluted earnings per share of \$1.90 to \$2.01. These numbers reflect a substantial paring down of Toymax sales in order for us to focus on their more profitable products and streamline operations to increase overall profitability. We expect that Toymax operations will be fully integrated by the end of 2002.

"Much of the growth we anticipate in 2002 will be based on relationships we recently initiated or extended," continued Berman. "Among the highlights was unquestionably our signing of a long-term master activity toy and stationery licensing agreement with Nickelodeon, under which our Flying Colors division will continue to develop a variety of products based on such popular properties as Dora The Explorer(TM), Jimmy Neutron Boy Genius(TM), and SpongeBob SquarePants(TM). Additionally, Flying Colors will introduce a number of new Nickelodeon-branded compound product lines, including Smatter(TM) and Skweez(TM), and extensions for Gooze(R) and Crystal Zyrofoam(R). JAKKS also signed several other licensing agreements, covering a variety of properties and product categories, which will contribute to top- and bottom-line growth in 2002. Among these are the perennially popular Barney(R); The Scorpion King action-adventure film; Power Rangers(R) and Junkyard Wars television series; and Ice Age, an animated epic. And, we will be introducing lines of Disney art/activity and junior sports products based on classic characters as well as new filmed entertainment."

JAKKS will conduct a teleconference in conjunction with today's release. The teleconference begins at 7:00 a.m. PST (10:00 a.m. EST) today, Tuesday, February 12, 2002. One may listen in via the Internet at [www.jakkspace.com](http://www.jakkspace.com). For those unable to attend, a playback of the call will be available from 9:00 a.m. PST (1:00 p.m. EST) on February 12, 2002 through 5:00 p.m. PST (8:00 p.m. EST) on February 13, 2002. You may access the playback by calling (800) 633-8284 (or for international callers 858-812-6440) and providing reservation number 18163171.

JAKKS Pacific is a multi-brand toy company that designs, develops, produces and markets toys and related products under various brand names (including Flying Colors(R), Road Champs(R), Remco(R), Child Guidance(R) and Pentech(R)) in multiple product categories, including: Wheels; Action Figures; Art/Activities/Stationery; Infant/Pre-School; Writing Instruments; Plush; and Dolls. The Company also participates in a joint venture that has exclusive worldwide rights to publish and market World Wrestling Federation(R) video games. Additional information is available at [www.jakkspace.com](http://www.jakkspace.com).

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: This press release contains forward-looking statements. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual future results or events may vary materially from those described herein.

(Financial Tables Follow)

Income Statement

JAKKS PACIFIC, INC. AND SUBSIDIARIES  
 FOURTH QUARTER EARNINGS ANNOUNCEMENT, 2001  
 CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2001	2000	2001	2000
Net sales	\$ 61,437,819	\$ 59,090,061	\$ 284,309,021	\$ 252,287,943
Less cost of sales				
Cost of goods	31,406,527	30,137,625	134,009,863	120,880,712
Royalty expense	4,322,192	3,701,909	23,045,209	23,254,482
Amortization of tools and molds	1,755,817	2,367,208	7,167,189	5,745,610
Cost of sales	37,484,536	36,206,742	164,222,261	149,880,804
Gross profit	23,953,283	22,883,319	120,086,760	102,407,139
Direct selling expenses	11,012,546	13,341,891	39,674,382	40,356,329
Selling, general and administrative expenses	12,706,101	8,414,450	44,847,765	36,551,236
Acquisition shut-down and recall costs	175,264	396,423	1,214,101	1,468,798
Depreciation and amortization	1,469,703	1,075,683	5,052,356	3,527,307
Income from operations	(1,410,331)	(345,128)	29,298,156	20,503,469
Profit from Joint Venture	(5,708,198)	(7,738,184)	(6,675,428)	(15,905,860)
Interest, net	(524,399)	(733,998)	(2,056,526)	(3,833,359)
Other	--	--	--	(91,670)
Income before provision for income taxes	4,822,266	8,127,054	38,030,110	40,334,358
Provision for income taxes	432,597	2,098,400	9,797,209	11,696,963
Net income	\$ 4,389,669	\$ 6,028,654	\$ 28,232,901	\$ 28,637,395
Earnings per share - diluted	\$ 0.22	\$ 0.32	\$ 1.45	\$ 1.41
Shares used in earnings per share - diluted	19,762,655	18,621,239	19,409,925	20,281,475

JAKKS PACIFIC, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2001	DECEMBER 31, 2000
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 25,036,203	\$ 29,275,424
Marketable securities	37,119,071	13,617,912
Accounts receivable, net	52,888,452	47,053,699
Inventory, net	32,023,960	30,534,826
Prepaid expenses and other current assets	11,108,075	8,150,507
	-----	-----
Total current assets	158,175,761	128,632,368
	-----	-----
working capital	115,121,728	86,896,973
Property and equipment	33,515,575	29,636,719
Less accumulated depreciation and amortization	17,762,905	10,653,467
	-----	-----
Property and equipment, net	15,752,670	18,983,252
	-----	-----
Notes receivable - officers	2,224,000	2,450,000
Goodwill, net	89,863,415	74,590,189
Trademarks & other intangibles, net	11,567,679	12,104,546
Investment in joint venture	7,893,312	9,758,359
Other assets	2,945,076	2,203,679
	-----	-----
Total assets	\$ 288,421,913	\$ 248,722,393
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 35,602,252	\$ 33,712,040
Current portion of long term debt	22,560	400,000
Income taxes payable	7,429,221	7,623,355
	-----	-----
Total current liabilities	43,054,033	41,735,395
	-----	-----
Long term debt	72,510	1,000,000
Deposits held	135,160	-
Deferred income taxes	756,817	1,456,817
	-----	-----
Total liabilities	964,487	2,456,817
	-----	-----
Total liabilities	44,018,520	44,192,212
	-----	-----
Stockholders' equity:		
Common stock, \$.001 par value	20,320	19,485
Additional paid-in capital	168,114,819	156,475,343
Treasury Stock, at cost	(12,911,483)	(12,911,483)
Retained earnings	89,179,737	60,946,836
	-----	-----
Total liabilities and stockholders' equity	244,403,393	204,530,181
	-----	-----
Total liabilities and stockholders' equity	\$ 288,421,913	\$ 248,722,393
	=====	=====
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