

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):  
July 19, 2006 (July 19, 2006)

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.)

22619 Pacific Coast Highway  
Malibu, California  
(Address of principal  
executive offices)

90265  
(Zip Code)

Registrant's telephone number, including area code: (310) 456-7799

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

JAKKS PACIFIC, INC.  
INDEX TO FORM 8-K  
FILED WITH THE SECURITIES AND EXCHANGE COMMISSION  
July 19, 2006

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Item 2.02. Results of Operations and Financial Condition.

On July 19, 2006, we issued a press release announcing our results of operations for the quarter ended June 30, 2006. A copy of such release is annexed hereto as an exhibit.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number	Description
- - - - -	- - - - -
99.1*	July 19, 2006 Press Release

- - - - -  
\* 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: July 19, 2006

JAKKS PACIFIC, INC.

By: /s/ Jack Friedman

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Jack Friedman  
Chairman and Chief Executive Officer

Exhibit Index

Exhibit Number -----	Description -----
99.1*	July 19, 2006 Press Release

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\* Filed herewith

JAKKS Pacific(R) Reports 2006 Second Quarter Results;  
Revises 2006 Sales and Earnings Guidance

MALIBU, Calif.--(BUSINESS WIRE)--July 19, 2006--JAKKS Pacific, Inc. (Nasdaq:JAKK), a leading multi-brand company that designs and markets a broad range of toys, writing instruments and other consumer products, today announced results for the second quarter and first six months ended June 30, 2006.

Second quarter 2006 net sales were \$124.0 million, compared to \$127.1 million recorded in the comparable period last year. Net income for the second quarter was \$6.4 million, or \$0.22 per diluted share, compared to \$11.6 million, or \$0.38 per diluted share, reported in the second quarter of 2005. Included in the results were non-cash, stock based compensation charges of \$1.4 million in the second quarter of 2006 compared to a credit of \$0.6 million in the second quarter of 2005 and incremental overhead and acquisition amortization charges of \$5.4 million in the second quarter 2006 relating to the acquisition of Creative Designs International.

The Company's net sales for the six months ended June 30, 2006 were \$231.3 million, compared to \$261.8 million during the same period in 2005. Net income for the first six months of 2006 was \$8.7 million, or \$0.31 per diluted share, compared to the first six months 2005 earnings of \$21.7 million or \$0.72 per diluted share. Included in the results were non-cash, stock based compensation charges of \$3.7 million in the first six months of 2006 compared to a credit of \$0.2 million in the first six months of 2005 and incremental overhead and acquisition amortization charges of \$9.5 million in the first six months of 2006 relating to the acquisition of Creative Designs International.

"During the second quarter we continued to successfully integrate our recently acquired Creative Designs(TM) product line, which contributed to the second quarter's sales, offsetting certain shortfalls in international sales and sales in our Fly Wheels(TM) and TV Games(TM) lines," said Jack Friedman, Chairman and Chief Executive Officer, JAKKS Pacific. "We will be introducing several new products at retail during the second half of the year to complement our rich portfolio of items, and we anticipate they will be favorably received by retailers and customers this holiday season and beyond. We continue to be pleased with our growth and accomplishments over our ten year history and believe that our ability to adapt and consistently cultivate our product portfolio with a compelling and diversified product mix will enable us to build long-term value for our shareholders."

Stephen Berman, President and Chief Operating Officer, stated, "We began shipping our TeleStory(TM), Tuta Bella(TM) and Speed Stacks(TM) product lines at the end of the second quarter and worked diligently to complete the development of our flying XPV(TM) (Xtreme Performance Vehicle(TM)), which we began shipping at the very end of the quarter. We also shipped new TV Games titles, including Super Pac-Man(R), Power Rangers(R) and Superman(R), and started shipping classic Trolls figures to mass market accounts. As our petproduct line continues to gain momentum in the marketplace, we began a soft launch of our new White Bites(TM) oral care treats for dogs, and our American Kennel Club(R) licensed dog products are strong sellers at an increasing number of retailers.

"Our Vmigo virtual pet gaming system will begin to ship to retailers around the world in the third quarter, and TeleStory(TM), our interactive plug and play reading system for preschoolers, will continue to ship to new retailers in the third quarter. New role play items from our Creative Designs International division, highlighted by the Disney Ariel Underwater Beauty Salon and Black & Decker(R) Power Tool Workshop for boys, which ships in the fourth quarter, have been sold in to many major retail outlets. Our collectible line of Rocky(TM) action figures join our line-up in late 2006, with a launch event in the city of Philadelphia with Sylvester Stallone planned for September to help build awareness. We will be rolling out a number of new pet items to various retail channels, including drug, pet specialty, mass and club stores, and will ship a Meow Mix(R) line, created especially for grocers to merchandise with cat food, later this year, all of which position us favorably for the second half of the year."

Berman continued, "We also announced new master toy licenses for Pokemon(R) and Barney(R) in the quarter, both of which were the most comprehensive rights each property had ever granted to one U.S. company, which we believe is a testament to our overall product development and marketing strength. Both of these lines, along with

many others, are being developed for spring 2007, and the initial retailer response to JAKKS'(TM) toys created for both Pokemon and Barney has been excellent, as a whole new generation is discovering the magic of these two distinct properties."

At June 30, 2006, JAKKS Pacific had approximately \$110.3 million in cash and cash equivalents and \$239.4 million in working capital.

Mr. Friedman said that, "We are revising our guidance to reflect an increase in net sales of approximately 17.2% and an increase in diluted earnings per share of approximately 12.7% for the current fiscal year versus 2005. The Company's forecast for net sales is now approximately \$775 million, down from approximately \$825 million, and the earnings per share target is now approximately \$2.32 down from approximately \$2.63. The decrease in projected sales is attributable to several factors, including delays in production and shipment relating to several of the Company's products and a shortfall in sales of several items in our Fly Wheels category as well as in our international business."

#### Conference Call

JAKKS Pacific is hosting a teleconference today at 6 a.m. PDT (9 a.m. EDT) on July 19th, via the Internet at [www.jakkspace.com](http://www.jakkspace.com), [www.CompanyBoardroom.com](http://www.CompanyBoardroom.com) or [www.StreetEvents.com](http://www.StreetEvents.com). These websites will host an archive of the teleconference for 30 days.

A telephonic playback will be available from 9 a.m. PDT on July 19th through 11:59 p.m. PDT on August 18th. The playback can be accessed by calling 888-266-2081 or 703-925-2533 for International callers, and entering passcode "937169."

#### About JAKKS Pacific, Inc.

JAKKS Pacific, Inc. is a multi-brand company that designs and markets a broad range of toys and consumer products. The product categories include: Action Figures, Art Activity Kits, Stationery, Writing Instruments, Performance Kites, Water Toys, Sports Activity Toys, Vehicles, Infant/Pre-School, Plush, Construction Toys, Electronics, Dolls, Dress-Up, Role Play, and Pet Toys and Accessories. The products are sold under various brand names, including JAKKS Pacific(R), Play Along(R), Flying Colors(R), Creative Designs International(TM), Road Champs(R), Child Guidance(R), Pentech(R), Trendmasters(R), Toymax(R), Funnoodle(R), Go Fly a Kite(R), Color Workshop(R), JPI(TM) and Plug It In & Play TV Games(TM). JAKKS and THQ Inc. participate in a joint venture that has worldwide rights to publish and market World Wrestling Entertainment video games. For further information, visit [www.jakkspace.com](http://www.jakkspace.com).

This press release contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations, estimates and projections about JAKKS Pacific's business based partly on assumptions made by its management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such statements due to numerous factors, including, but not limited to, those described above, changes in demand for JAKKS' products, product mix, the timing of customer orders and deliveries, the impact of competitive products and pricing, and difficulties with integrating acquired businesses. The forward-looking statements contained herein speak only as of the date on which they are made, and JAKKS undertakes no obligation to update any of them to reflect events or circumstances after the date of this release.

#### JAKKS Pacific, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

	June 30, 2006	December 31, 2005
	-----	-----
	(In thousands)	

#### ASSETS

Current assets:		
Cash and cash equivalents	\$110,289	\$240,238
Accounts receivable, net	85,483	87,199
Inventory, net	76,834	66,729
Deferred income taxes	14,609	13,618

Prepaid expenses and other current assets	43,671	17,533
	-----	-----
Total current assets	330,886	425,317
	-----	-----
Property and equipment	43,317	38,089
Less accumulated depreciation and amortization	28,842	25,394
	-----	-----
Property and equipment, net	14,475	12,695
	-----	-----
Goodwill, net	314,957	269,298
Trademarks & other assets, net	78,207	36,280
Investment in video game joint venture	2,376	10,365
	-----	-----
Total assets	\$740,901	\$753,955
	-----	-----

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$70,147	\$94,948
Reserve for sales returns and allowances	21,339	25,123
Income taxes payable	-	3,792
	-----	-----
Total current liabilities	91,486	123,863
	-----	-----
Long term debt	98,000	98,000
Deferred rent liability	924	995
Deferred income taxes	7,241	6,446
	-----	-----
	106,165	105,441
	-----	-----
Total liabilities	197,651	229,304
	-----	-----
Stockholders' equity:		
Common stock, \$.001 par value	28	27
Additional paid-in capital	299,822	287,356
Retained earnings	248,749	240,057
Deferred compensation from restricted stock grants	(2,699)	-
Accumulated other comprehensive income (loss)	(2,650)	(2,789)
	-----	-----
	543,250	524,651
	-----	-----
Total liabilities and stockholders' equity	\$740,901	\$753,955
	=====	=====
	-	-
	-----	-----
Working capital	239,400	301,454

JAKKS Pacific, Inc. and Subsidiaries  
Second Quarter Earnings Announcement, 2006  
Condensed Statements of Income (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	-----	-----	-----	-----
	(In thousands, expect per share data)			
Net sales	\$124,041	\$127,091	\$231,285	\$261,767
Less cost of sales				
Cost of goods	61,872	66,521	114,079	130,352
Royalty expense	11,469	11,589	21,084	27,130
Amortization of tools and molds	1,420	908	2,679	2,000
	-----	-----	-----	-----
Cost of sales	74,761	79,018	137,842	159,482
	-----	-----	-----	-----
Gross profit	49,280	48,073	93,443	102,285
Direct selling expenses	12,093	13,807	26,224	32,869
Selling, general and administrative expenses	24,036	17,055	47,300	36,184
Depreciation and amortization	4,188	2,597	8,712	4,943

Income from operations	8,963	14,614	11,207	28,289
Other income (expense):				
Profit from video game joint venture	220	1,153	977	1,303
Other expense	-	-	-	-
Interest, net	(48)	(35)	234	(233)
Income before provision for income taxes	9,135	15,732	12,418	29,359
Provision for income taxes	2,774	4,090	3,726	7,633
Net income	\$6,361	\$11,642	\$8,692	\$21,726
Earnings per share -- diluted	\$0.22	\$0.38	\$0.31	\$0.72
Shares used in earnings per share -- diluted	32,789	32,229	32,753	32,239

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