



Item 2.02. Results of Operations and Financial Condition.

On February 26, 2007, we issued a press release announcing our results of operations for the quarter and year ended December 31, 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*	February 26, 2007 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: February 26, 2007

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*	February 26, 2007 Press Release

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\* Filed herewith

JAKKS Pacific(R) Reports Preliminary Fourth Quarter and Year-End Results  
for 2006

Record Sales and Earnings Results Expected for 2006

Company Provides Guidance for First Quarter and Fiscal 2007

MALIBU, Calif.--(BUSINESS WIRE)--Feb. 26, 2007--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 preliminary results for the fourth quarter and year-ended December 31, 2006.

Fourth quarter net sales increased 43.3% to \$238.3 million in 2006, compared to \$166.3 million in the comparable period last year. Excluding non-cash stock-based compensation and acquisition-related amortization charges, net income for the fourth quarter of 2006 is expected to be \$26.9 million, or \$0.84 per diluted share, compared to \$12.7 million, or \$0.41 per diluted share, for the same period last year. Reported net income for the fourth quarter of 2006, including pre-tax non-cash stock-based compensation charges of \$1.7 million and acquisition-related amortization charges of \$4.1 million, is expected to be \$23.2 million, or \$0.73 per diluted share, compared to \$9.0 million, or \$0.30 per diluted share, for the same period last year, which included charges of \$4.2 million for stock-based compensation and \$1.8 million for acquisition-related amortization.

The Company's net sales for the year ended December 31, 2006 increased 15.7% to \$765.4 million, from \$661.5 million in 2005. Excluding non-cash stock-based compensation and acquisition-related amortization charges, net income for the year ended December 31, 2006 is expected to have increased 23.2% to \$86.7 million, or \$2.74 per diluted share, compared to \$70.4 million, or \$2.28 per diluted share, for the same period last year. Reported net income for the year ended December 31, 2006, including pre-tax non-cash stock-based compensation charges of \$6.5 million and \$14.5 million for acquisition-related amortization, is expected to be \$72.4 million, or \$2.30 per diluted share, compared to \$63.5 million, or \$2.06 per diluted share, for the same period last year, which included charges of \$3.4 million for stock-based compensation and \$7.0 million for acquisition-related amortization.

As noted above, the foregoing results are preliminary pending the completion of the review of the Company's annual goodwill valuation by its outside auditors. The valuation pursuant to SFAS 142 was performed by a third-party valuation consultant and the review is expected to be completed by March 16, 2007. Any impairment of the book value of the Company's goodwill may result in a non-cash charge to earnings in 2006.

"The fourth quarter successfully concluded a record year of strong sales and earnings growth," said Jack Friedman, Chairman and Chief Executive Officer, JAKKS Pacific. "We had robust sales in several of our traditional toy segments, including dress-up and role play items, action figures, dolls and plush based on classic brands and well-known evergreen licenses due to our innovative products and prime retail placement throughout the year. As we look to 2007, we believe that our solid diversified portfolio will continue to drive revenue and earnings growth."

Stephen Berman, President and Chief Operating Officer, stated, "We have an excellent mix of new consumer products planned for 2007 based on entertainment content that is popular with young kids of today, including Pokemon, which airs ten times per week on Cartoon Network; Hannah Montana and The Cheetah Girls, two hit Disney "tween" sensations; Nickelodeon's Dora the Explorer, which remains a top-rated preschool property; and the new hit game show on NBC, Deal or No Deal."

"We have meaningful line extensions planned across many of JAKKS' divisions for this year, including new licensed and non-licensed preschool products, large and small doll and plush lines, an expanded line of XPV Xtreme Performance Vehicles, action figures, large feature role-play sets and dress-up items, and electronic gadgets that utilize our plug and play technology. Classic play patterns infused with innovation remain at the forefront of our product development, and we believe our product portfolio and expected retail support will help make 2007 the strongest year yet for JAKKS Pacific.

"Cash flow from operations in 2006 was approximately \$63.9 million, and our financial position remains very strong. As of December 31, 2006, our working capital was approximately \$291.4 million, including cash and equivalents of \$184.5 million. We expect to continue to grow our business by actively pursuing accretive and complementary acquisitions and executing on internal growth initiatives, including creating new products and securing new licenses, to

provide continued growth for JAKKS Pacific."

Friedman concluded, "For our initial 2007 guidance, we expect net sales of at least \$800.0 million in 2007, with net income of \$75.8 million, or \$2.39 earnings per diluted share. This forecast anticipates first quarter net sales in the range of \$114.0 million to \$120.0 million, and diluted earnings per share of \$0.07 to \$0.10."

JAKKS Pacific is hosting a teleconference today at 7:30 a.m. PT (10:30 a.m. ET) on February 26th, 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 8:30 a.m. PT on February 26th through 12 a.m. PT on March 12th. The playback can be accessed by calling 800-642-1687, or 706-645-9291 for international callers, pass code "9745773."

#### About JAKKS Pacific, Inc.

JAKKS Pacific, Inc. (Nasdaq:JAKK) 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), Funoodle(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 may contain 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.

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

	December 31, 2006	December 31, 2005
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	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$184,489	\$240,238
Marketable securities	210	-
Accounts receivable, net	153,116	87,199
Inventory, net	76,787	66,729
Deferred income taxes	13,654	13,618
Prepaid expenses and other current assets	26,543	17,533
	-----	
Total current assets	454,799	425,317
	-----	
Property and equipment	49,781	38,089
Less accumulated depreciation and amortization	32,899	25,394
	-----	
Property and equipment, net	16,882	12,695
	-----	
Goodwill, net	330,268	269,298
Trademarks & other assets, net	61,202	36,280

Investment in video game joint venture	14,873	10,365
Total assets	\$878,024	\$753,955

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$113,307	\$94,948
Reserve for sales returns and allowances	32,589	25,123
Income taxes payable	17,477	3,792
Total current liabilities	163,373	123,863
Long term debt		
Deferred rent liability	854	995
Deferred income taxes	6,690	6,446
Total liabilities	268,917	229,304
Stockholders' equity:		
Common stock, \$.001 par value	28	27
Additional paid-in capital	300,074	287,356
Retained earnings	312,432	240,057
Accumulated other comprehensive income (loss)	(3,427)	(2,789)
Total liabilities and stockholders' equity	\$878,024	\$753,955

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
(In thousands, except per share data)				
Net sales	\$238,311	\$166,270	\$765,386	\$661,536
Less cost of sales				
Cost of goods	124,419	77,128	393,965	323,303
Royalty expense	23,756	16,835	70,634	67,069
Amortization of tools and molds	1,667	1,337	5,993	4,457
Cost of sales	149,842	95,300	470,592	394,829
Gross profit	88,469	70,970	294,794	266,707
Direct selling expenses	30,662	26,031	78,794	78,982
Selling, general and administrative expenses	29,854	29,859	105,650	89,638
Depreciation and amortization	5,052	2,603	18,038	10,102
Income from operations	22,901	12,477	92,312	87,985
Other income (expense):				
Profit (loss) from video game joint venture	12,494	7,873	13,226	9,414
Interest income	1,400	1,763	4,930	5,182
Interest expense	(1,133)	(1,141)	(4,533)	(4,543)
Other expense	-	-	-	(1,401)
Income before provision for income taxes	35,662	20,972	105,935	96,637
Provision for income taxes	12,477	11,958	33,560	33,144
Net income	\$23,185	\$9,014	\$72,375	\$63,493
Earnings per share -- diluted	\$0.73	\$0.30	\$2.30	\$2.06
Shares used in earnings per share -- diluted	32,803	32,197	32,714	32,193

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