SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ________________ TO ________________

Commission file number: 0-28104

JAKKS Pacific, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-4527222 (I.R.S. Employer Identification No.)
22761 Pacific Coast Highway Malibu, California (Address of principal executive offices)	90265 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

The number of shares outstanding of the issuer's common stock is 19,362,553 (as of May 10, 2000).

JAKKS PACIFIC, INC. AND SUBSIDIARIES
INDEX TO QUARTERLY REPORT ON FORM 10-Q/A
QUARTER ENDED MARCH 31, 2000

ITEMS IN FORM 10-Q/A

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. For example, statements included in this report regarding our financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future product demand, supply, manufacturing, costs, marketing and pricing factors are all forward-looking statements. When we use words like "intend," "anticipate," "believe," "estimate," "plan" or "expect," we are making forward-looking statements. We believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, based on information available to us on the date hereof, but we cannot assure you that these assumptions and expectations will prove to have been correct or that we will take any action that we may presently be planning. We are not undertaking to publicly update or revise any forward-looking statement if we obtain new information or upon the occurrence of future events or otherwise.

JAKKS PACIFIC, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheet

ASSETS

	December 31, 1999	March 31, 2000 (unaudited)
Current assets		
Cash and cash equivalents	$ 57,546,406	$ 72,441,969
Marketable securities	39,333,944	24,264,618
Accounts receivable, net	38,024,903	39,978,118
Inventory, net	19,863,508	17,262,114
Advance royalty payments	1,137,238	2,407,265
Prepaid expenses and other current assets	1,617,692	273,873
Total current assets	157,523,691	156,627,957
Office furniture and equipment	1,233,068	1,507,907
Molds and tooling	15,283,211	16,497,300
Leasehold improvements	344,263	1,128,311
Total	16,860,542	19,133,518
Less accumulated depreciation and amortization	5,320,103	6,545,675
Property and equipment, net	11,540,439	12,587,843
Investment in joint venture	3,658,339	5,256,967
Goodwill, net	46,020,232	45,605,175
Trademarks, net	12,633,248	12,501,072
Intangibles and deposits, net	1,502,147	1,337,408
Total assets	$232,878,096	$233,916,422

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31, 1999	March 31, 2000 (unaudited)
Current liabilities		
Accounts payable	$ 9,962,655	$ 8,513,712
Accrued expenses	15,856,505	12,739,579
Reserve for sales returns and allowances	15,318,001	12,300,554
Income taxes payable	3,211,926	5,046,154
Current portion of long term debt	4,967	4,967
Total current liabilities	44,354,054	38,604,966
Long term debt	8,713	7,471
Deferred income taxes	1,013,834	895,859
Total liabilities	45,376,601	39,508,296
Commitments		
Stockholders' equity		
Preferred stock, $.001 par value; 1,000,000 shares authorized, no shares issued	--	--
Common stock, $.001 par value; 25,000,000 shares authorized; 19,272,692 and 19,338,056 shares issued and outstanding	19,273	19,338
Additional paid-in capital	155,172,781	155,475,914
Retained earnings	32,309,441	38,912,874
Total stockholders' equity	187,501,495	194,408,126
Total liabilities and stockholders' equity	$232,878,096	$233,916,422

See accompanying notes to condensed consolidated financial statements.

JAKKS PACIFIC, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations
For the Three Months Ended March 31, 1999 and 2000 (Unaudited)

	Three Months Ended March 31, 1999	2000
Net sales	$24,960,292	$50,782,075
Cost of sales	14,196,532	30,678,416
Gross profit	10,763,760	20,103,659
Selling, general and administrative expenses	8,020,425	16,099,802
Income from operations	2,743,335	4,003,857
Other (income) and expense:		
Income from Joint Venture	--	(5,211,345)
Other expense	--	451,803
Interest income	(132,466)	(952,046)
Interest expense	133,151	--
Income before provision for income taxes	2,742,650	9,715,445
Provision for income taxes	737,453	3,112,012
Net income	$ 2,005,197	$ 6,603,433
Net income per share - basic	$ 0.18	$ 0.34
Net income per share - diluted	$ 0.17	$ 0.32

See accompanying notes to condensed consolidated financial statements.

JAKKS PACIFIC, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 1999 and 2000 (Unaudited)

	Three Months Ended March 31, 1999	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,005,197	$ 6,603,433
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	747,265	1,881,137
Change in operating assets and liabilities		
Accounts receivable	1,461,912	(1,953,215)
Preferred return from joint venture	--	(1,598,628)
Inventory	(2,584,801)	2,601,394
Advanced royalty payments	(206,059)	(1,270,027)
Prepaid expenses and other	(272,057)	1,343,818
Accounts payable	976,038	(1,448,943)
Accrued expenses	121,985	(3,116,926)
Income taxes payable	(53,195)	1,834,228
Reserve for sales returns and allowances	1,415,261	(3,017,447)
Deferred income taxes	1,876	(117,975)
Sale of marketable securities	--	15,069,326
Total adjustments	1,608,225	10,206,742
Net Cash provided by operating activities	3,613,422	16,810,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred offering and acquisition costs	(12,682)	--
Purchase of Property and equipment	(1,629,955)	(2,272,976)
Other assets	397,463	56,408
Investment in joint venture	(9,144)	--
Net Cash used by investing activities	(1,254,318)	(2,216,568)
CASH FLOWS FROM FINANCING ACTIVITIES		
Offering costs - common stock	(143,808)	--
Proceeds from stock options and warrants exercised	1,663,083	303,198
Dividends paid on convertible preferred stock	(350,000)	--
Repayment of long term debt	--	(1,242)
Net Cash provided by financing activities	1,169,275	301,956
Net increase in cash and cash equivalents	3,528,379	14,895,563
Cash and cash equivalents, beginning of period	12,452,201	57,546,406
Cash and cash equivalents, end of period	$15,980,580	$72,441,969
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	$ 749,793	$ 1,277,784
Interest	$ 133,151	$ --

See note 4 for additional supplemental information to condensed consolidated financial statements.

See accompanying notes to condensed consolidated financial statements.

JAKKS PACIFIC, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
March 31, 2000

Note 1 - Basis of presentation

The accompanying 1999 and 2000 unaudited interim condensed consolidated financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures are adequate to prevent the information presented from being misleading. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's Form 10-K, which contains financial information for the years ended December 31, 1997, 1998 and 1999.

The information provided in this report reflects all adjustments (consisting solely of normal recurring accruals) that are, in the opinion of management, necessary to present fairly the results of operations for this period. The results for this period are not necessarily indicative of the results to be expected for the full year.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

Basic earnings per share has been computed using the weighted average number of common shares. Diluted earnings per share has been computed using the weighted average number of common shares and common share equivalents (which consist of warrants, options and convertible securities, to the extent they are dilutive). All common shares and common share equivalents have been adjusted retroactively to give effect to a three-for-two stock split paid on November 4, 1999.

JAKKS PACIFIC, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Continued)
March 31, 2000

Note 2 -- Earnings per share

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings per Share." This statement establishes simplified standards for computing and presenting earnings per share (EPS). It requires dual presentation of basic and diluted EPS on the face of the income statement for entities with complex capital structures and disclosure of the calculation of each EPS amount.

	THREE MONTHS ENDED MARCH 31,					
	1999			2000		
	INCOME	WEIGHTED AVERAGE SHARES	PER-SHARE	INCOME	WEIGHTED AVERAGE SHARES	PER-SHARE
Net income per share - basic						
Net Income..................	$2,005,197			$6,603,433		
Preferred Dividends Declared/Paid..............	(350,000)			--		
Net income available to common stockholders.........	1,655,197	9,170,945	$0.18	6,603,433	19,289,560	$0.34
Effect of dilutive securities						
Options and warrants.........	--	1,049,879		--	1,084,437	
9% convertible debentures....	93,183	1,565,217		--	--	
7% convertible preferred stock.....................	350,000	837,987		--	--	
Net income per share - diluted						
Income available to common stockholders plus assumed exercises and conversions...	$2,098,380	12,624,028	$0.17	$6,603,433	20,373,997	$0.32

Note 3 -- Preferred stock and common stock

During 1999, the Company issued and sold 6,810,955 shares of its common stock in public offerings and received $117.8 million of net proceeds.

Note 4 -- Supplemental information to condensed consolidated statements of cash flows

In 1999, the holders of $6.0 million principal amount of the Company's 9% convertible debentures converted all such debentures into an aggregate of 1,565,218 shares of the Company's common stock. Additionally, all 1,000 outstanding shares of 7% cumulative convertible preferred stock with a total stockholders' equity value of $4,731,152 were converted into an aggregate of 837,987 shares of the Company's common stock.

Note 5 -- Acquisitions

In June 1999, the Company purchased all of the outstanding shares of Berk Corporation, a producer of educational toy foam puzzle mats and activity sets, for approximately $3.3 million in cash. In connection with this acquisition, the Company assumed liabilities of approximately $3.1 million and incurred acquisition costs of approximately $113,000.

In October 1999, the Company acquired all of the stock of Flying Colors Toys, Inc. for approximately $52.9 million. Consideration paid at closing was in cash. Professional fees totaling $310,667 were incurred as part of the acquisition costs. Contingent consideration includes an earn-out in an amount of up to $4.5 million in each of the three 12-month periods following the closing, if gross profits of Flying Colors Toys branded products achieve certain prescribed levels in each of such periods.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read together with the Company's Condensed Consolidated Financial Statements and Notes thereto which appear elsewhere herein.

OVERVIEW

JAKKS was founded to design, develop, produce and market children's toys and related products. We commenced business operations when we assumed operating control over the toy business of Justin Products Limited ("Justin"), and have included the results of Justin's operations in our consolidated financial statements from July 1, 1995, the effective date of that acquisition. The Justin product lines, which consisted primarily of fashion dolls and accessories and electronic products for children, accounted for substantially all of our net sales for the period from April 1, 1995 (inception) to December 31, 1995.

One of our key strategies has been to grow through the acquisition or licensing of product lines, concepts and characters. In 1996, we expanded our product lines to include products based on licensed characters and properties, such as World Wrestling Federation action figures and accessories.

We acquired Road Champs in February 1997, and have included the results of operations of Road Champs from February 1, 1997, the effective date of the acquisition. We acquired the Child Guidance and Remco trademarks in October 1997, both of which contributed to operations nominally in 1997, but contributed more significantly to operations commencing in 1998. In June 1999, we acquired Berk Corporation with its lines of educational toy foam puzzle mats and activity sets. Berk began to contribute modestly beginning in the third quarter of 1999. In October 1999, we acquired Flying Colors Toys, Inc., whose product lines include licensed activity kits, play clay compound playsets and lunch boxes as well as other related products. Flying Colors product lines contributed to operations beginning in the fourth quarter of 1999.

Our products currently include (1) action figures and accessories featuring licensed characters, principally from the World Wrestling Federation license, (2) Flying Colors molded plastic activity sets, clay compound playsets and lunch boxes, (3) Wheels division products, including Road Champs die-cast collectible and toy vehicles and Remco toy vehicles and role-play toys and accessories, (4) Child Guidance infant and pre-school electronic toys, educational toy foam puzzle mats and blocks, activity sets and outdoor products, and (5) fashion and mini dolls and related accessories.

In general, we acquire products or product concepts from others or we engage unaffiliated third parties to develop our own products, thus minimizing operating costs. Royalties payable to our developers generally range from 1% to 6% of the wholesale price for each unit of a product sold by us. We expect that outside inventors will continue to be a source of new products in the future. We also generate internally new product concepts, for which we pay no royalties.

In June 1998, we formed a joint venture with THQ Inc., a developer, publisher and distributor of interactive entertainment software, and the joint venture licensed the rights from World Wrestling Federation Entertainment to publish World Wrestling Federation electronic video game software on all platforms. The first games produced under this license were released in November 1999. We are entitled to receive a guaranteed preferred return based on the sales of the video games, and THQ is entitled to receive the balance of the profits generated by the joint venture.

We contract the manufacture of most of our products to unaffiliated manufacturers located in China. We sell the finished products on a letter of credit basis or on open account to our customers, who take title to the goods in Hong Kong. These methods allow us to reduce certain operating costs and working capital requirements. A portion of our sales, primarily sales of our Road Champs and Flying Colors products, originate in the United States, so we hold certain inventory in warehouse and fulfillment facilities operated by unaffiliated third parties. In addition, we hold inventory of other products from time to time in support of promotions or other domestic programs with retailers. To date, substantially all of our sales have been to domestic customers. We intend to expand distribution of our products into foreign territories and, accordingly, we have (1) engaged representatives to oversee sales in certain territories, (2) engaged distributors in certain territories, and (3) established direct relationships with retailers in certain territories.

We establish reserves for sales allowances, including promotional allowances and allowances for anticipated defective product returns and potential markdowns, at the time of shipment. The reserves are determined as a percentage of net sales based upon either historical experience or on estimates or programs agreed upon by our customers.

Our cost of sales consists primarily of the cost of goods produced for us by unaffiliated third-party manufacturers, royalties earned by licensors on the sale of these goods and amortization of the tools, dies and molds owned by us that are used in the manufacturing process. Other costs include inbound freight and provisions for obsolescence. Significant factors affecting our cost of sales as a percentage of net sales include (1) the proportion of net sales generated by various products with disparate gross margins, (2) the proportion of net sales made domestically, which typically carry higher gross margins than sales made in Hong Kong, and (3) the effect of amortizing the fixed cost components of cost of sales, primarily amortization of tools, dies and molds, over varying levels of net sales.

Selling, general and administrative expenses include costs directly associated with the selling process, such as sales commissions, advertising and travel expenses, as well as general corporate expenses, goodwill and trademark amortization and product development. We have recorded goodwill of approximately $47.4 million and trademarks of approximately $13.9 million in connection with acquisitions made to date. Goodwill is being amortized over a 30-year period, while trademark acquisition costs are being amortized over periods ranging from 10 to 30 years.

RESULTS OF OPERATIONS

The following unaudited table sets forth, for the periods indicated, certain statement of operations data as a percentage of net sales.

	THREE MONTHS ENDED MARCH 31,	
	1999	2000
Net sales	100.0%	100.0%
Cost of sales	56.9	60.4
Gross profit	43.1	39.6
Selling, general and administrative expenses	32.1	31.7
Income from operations	11.0	7.9
Income from joint venture	--	(10.3)
Interest, net	0.0	(1.8)
Other expenses	0.0	0.9
Income before income taxes	11.0	19.1
Provision for income taxes	3.0	6.1
Net income	8.0%	13.0%

THREE MONTHS ENDED MARCH 31, 2000 AND 1999

Net Sales. Net sales increased $25.8 million, or 103.5%, to $50.8 million in 2000 from $24.9 million in 1999. The significant growth in net sales was due primarily to the continuing sales of the World Wrestling Federation action figure product line with its expanded product offerings and frequent character releases, as well as to increasing sales in our Wheels division, consisting primarily of our Road Champs die-cast toy and collectible vehicles with the launch of the BXS die-cast bicycles, fashion and holiday dolls and Child Guidance pre-school toys and the additions of Berk products, which contributed nominally to operations beginning in the third quarter of 1999 and Flying Colors products, which began contributing to operations beginning in the fourth quarter of 1999.

Gross Profit. Gross profit increased $9.3 million, or 86.8%, to $20.1 million in 2000, or 39.6% of net sales, from $10.8 million, or 43.1% of net sales, in 1999. The overall increase in gross profit was attributable to the significant increase in net sales. The decrease in the gross profit margin of 3.5% of net sales was due in part to higher in-bound freight costs incurred to more quickly launch our BXS die-cast bicycle product line and close-outs of certain Flying Colors products in preparation of the transfer of such products from the Michigan distribution facilities to our third party facilities in Washington state. Additionally, the amortization expense of molds and tools used in the manufacture of our products and royalty expense increased as a percentage of net sales due to changes in the product mix and the launch of a larger number of products in 2000.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were $16.1 million in 2000 and $8.0 million in 1999, constituting 31.7% and 32.1% of net sales, respectively. The overall significant increase of $8.1 million in such costs was due to costs incurred in support of the Company's development, marketing and distribution of products under its recent acquisition of Flying Color Toys trademarks. Selling, general and administrative expenses decreased as a percentage of net sales due in part to the fixed nature of certain of these expenses. The overall dollar increase was also due to the significant increase in net sales with its proportionate impact on variable selling costs such as freight and shipping related expenses, sales commissions, cooperative advertising and travel expenses, among others. We produced television commercials in support of several of our products, including World Wrestling Federation action figures, in 1999 and 2000. From time to time, we may increase our advertising efforts, including the use of more expensive advertising media, such as television, if we deem it appropriate for particular products.

Income from Joint Venture. Beginning in the fourth quarter of 1999, we began to earn our preferred return on the sale of World Wrestling Federation video games by our joint venture with THQ.

Interest Net. We had no interest-bearing obligations in 2000 with the conversion of our convertible debentures in 1999. In addition, we had significantly higher average cash balances during 2000 than in 1999 due to the net proceeds from the sale of our common stock in May 1999 and in December 1999.

Other Expense. Other expense in 2000 consists mainly of expenses related to the lease termination of certain Flying Colors facilities and other related shut-down costs. No such expenses were incurred in 1999.

Provision for Income Taxes. Provision for income taxes included Federal, state and foreign income taxes in 1999 and 2000, at effective tax rates of 26.9% in 1999 and 32.0% in 2000, benefiting from a flat 16.5% Hong Kong Corporation Tax on our income arising in, or derived from, Hong Kong. As of March 31, 2000, we had deferred tax assets of approximately $1.4 million for which no allowance has been provided since, in the opinion of management, realization of the future benefit is probable. In making this determination, management considered all available evidence, both positive and negative, as well as the weight and importance given to such evidence.

SEASONALITY

The retail toy industry is inherently seasonal. Generally, in the past, the Company's sales have been highest during the third and fourth quarters, and collections for those sales have been highest during the succeeding fiscal quarters. The Company's working capital needs have been highest during the third and fourth quarters.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2000, we had working capital of $118.0 million, as compared to $113.2 million as of December 31, 1999. This increase was primarily attributable to our operating activities.

Operating activities provided net cash of $16.8 million in 2000, as compared to $3.6 million in 1999. Net cash was provided primarily by net income, non-cash charges, such as depreciation and amortization, and the sale of marketable securities, as well as a decrease in inventory, prepaid expenses and an increase in income tax payable, which were offset in part by increases in preferred return from joint venture, accounts receivable, advanced royalty payments and decreases in accounts payable, accrued expenses and reserves for sales returns and allowances. As of March 31, 2000, we had cash and cash equivalents of $72.4 million and marketable securities of $24.3 million.

Our investing activities used net cash of $2.2 million in 2000, as compared to $1.3 million in 1999, consisting primarily of the purchase of molds and tooling used in the manufacture of our products in 2000 and 1999. As part of our strategy to develop and market new products, we have entered into various character and product licenses with royalties ranging from 1% to 10% payable on net sales of such products. As of March 31, 2000, these agreements required future aggregate minimum guarantees of $13.4 million, exclusive of $2.4 million in advances already paid.

Our financing activities provided net cash of $.3 million in 2000, consisting primarily of the exercises of options and warrants. In 1999, financing activities provided net cash of $1.2 million, consisting primarily of the exercise of options and warrants.

In 1999, the holders of $6.0 million principal amount of our 9.0% convertible debentures converted all such debentures into 1,565,218 shares of our common stock.

In 1999, we received $117.8 million in net proceeds from the issuance of shares of our common stock in public offerings.

In June 1999, we purchased all the outstanding capital stock of Berk Corporation for approximately $3.3 million. We also agreed to pay an earn-out of up to $500,000 if sales of Berk products achieve certain prescribed levels over the 12-month period ending June 30, 2000. Berk is a leading producer of educational toy foam puzzle mats and blocks featuring popular licensed characters, including Mickey Mouse, Minnie Mouse, Winnie the Pooh, Blue's Clues, Barney, Teletubbies, Sesame Street, Looney Tunes and Toy Story II characters, and non-licensed activity sets and outdoor products.

On October 5, 1999, we completed the acquisition of the Flying Colors Toys product line through the purchase of all the outstanding capital stock of Flying Colors Toys, a privately-held company based in Dexter, Michigan. At or shortly after the closing we paid approximately $34.7 million for the stock and paid off approximately $17.6 million of indebtedness. We also agreed to pay an earn-out of up to $13.5 million over the 36-month period following the closing if net sales of Flying Colors products achieve certain targeted levels during this period. Two of Flying Colors Toys' senior executives and most of its creative design and product development staff have remained with Flying Colors Toys. Flying Colors Toys' principal products include molded plastic activity kits, clay compound playsets and lunch boxes featuring licensed characters, including Barbie, Rugrats, Blue's Clues and Looney Tunes characters. The kits cover a broad range of products and activities, such as make and paint your own characters, jewelry making, art studios, posters, puzzles and other projects.

We believe that our cash flow from operations, cash and cash equivalents on hand and marketable securities will be sufficient to meet our working capital and capital expenditure requirements and provide us with adequate liquidity to meet our anticipated operating needs for at least the next 12 months. Although operating activities are expected to provide cash, to the extent we grow significantly in the future, our operating and investing activities may use cash and, consequently, this growth may require us to obtain additional sources of financing. There can be no assurance that any necessary additional financing will be available to us on commercially reasonable terms, if at all.

IMPACT OF THE YEAR 2000

ASSESSMENT OF INTERNAL INFRASTRUCTURE. We believe that we have identified most of the major computers, software applications and related equipment used in connection with our internal operations that need to be evaluated to determine if they must be modified, upgraded or replaced to minimize the possibility of a material disruption to our business. Based on a review of these computer systems, we have determined that our computer systems and applications are compliant with the year 2000 format. Since January 1, 2000, we have not experienced any problems with our computer systems or applications related to the year 2000 problem.

SYSTEMS OTHER THAN INFORMATION TECHNOLOGY SYSTEMS. In addition to computers and related systems, the operation of office and facilities equipment, such as fax machines, telephone switches, security systems and other common devices, may be affected by the year 2000 problem. We have assessed the potential effect of the year 2000 problem on our office and facilities equipment and have determined that no problems exist that cannot be remediated by the replacement of relatively inexpensive equipment. Since January 1, 2000, we have not experienced any problems with our office and facilities equipment related to the year 2000 problem.

COSTS OF REMEDIATION. Our total cost of completing required modifications, upgrades or replacements of our internal systems was approximately $120,000. Based on the activities described above, we do not believe that the year 2000 problem will have a material adverse effect on our business or operating results.

SUPPLIERS. As part of our review of the year 2000 problem, we contacted third-party suppliers of components and key contractors used in the production of our products to identify and, to the extent possible, resolve issues involving the year 2000 problem. However, we have limited or no control over the actions of these third-party suppliers and subcontractors. Thus, while we believe that we have resolved any significant year 2000 problems with these third parties, there can be no assurance that these suppliers have resolved any or all year 2000 problems before the occurrence of a material disruption to the operation of our business. Any failure on the part of these third parties to timely resolve year 2000 problems with their systems could have a material adverse effect on our business. Since January 1, 2000, we have not experienced any disruption in our business or operations resulting from any year 2000 problems of any of our third-party suppliers or contractors.

MOST LIKELY CONSEQUENCES OF YEAR 2000 PROBLEMS. We believe that we have identified and resolved all year 2000 problems that could materially adversely affect our business operations. Since January 1, 2000, we have not experienced any year 2000 problems that have affected our business and operations. However, we believe that it is not possible to determine with complete certainty that all year 2000 problems affecting us have been identified or corrected. The number of devices and systems that could be affected and the interactions among these devices and systems are too numerous to address. In addition, we cannot accurately predict whether failures will occur as a result of the year 2000 problem or the severity, timing, duration or financial consequences of these potential failures. As a result, we believe it is possible that operational inconveniences and inefficiencies for us, our contract manufacturers and our customers may occur that will divert management's time and attention and financial and human resources from ordinary business activities.

CONTINGENCY PLANS. We have developed contingency plans to be implemented if our efforts to identify and correct year 2000 problems affecting our internal systems are not effective. Depending on the systems affected, these plans include:

- accelerated replacement of affected equipment or software;
- short- to medium-term use of backup equipment or software or other redundant systems;
- increased work hours for our personnel or the hiring of additional information technology staff; and
- the use of contract personnel to correct, on an accelerated basis, any year 2000 problems that arise or to provide interim alternative solutions for information system deficiencies.

Our implementation of any of these strategies could have a material adverse effect on our business.

OTHER FACTORS. The discussion of our efforts and expectations relating to year 2000 compliance are forward-looking statements. Our ability to achieve year 2000 compliance, and the level of incremental costs associated therewith, could be adversely affected by, among other things, the availability and cost of contract personnel and external resources, third-party suppliers' ability to modify proprietary software and unanticipated problems not identified in the ongoing compliance review.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of loss that may impact our financial position, results of operations or cash flows due to adverse changes in financial and commodity market prices and rates. We are exposed to market risk in the areas of changes in United States and international borrowing rates and changes in foreign currency exchange rates. In addition, we are exposed to market risk in certain geographic areas that have experienced or remain vulnerable to an economic downturn, such as China. We purchase substantially all of our inventory from companies in China, and, therefore, we are subject to the risk that such suppliers will be unable to provide inventory at competitive prices. While we believe that, if such an event were to occur we would be able to find alternative sources of inventory at competitive prices, we cannot assure you that we would be able to do so. These exposures are directly related to our normal operating and funding activities. Historically and as of March 31, 2000, we have not used derivative instruments or engaged in hedging activities to minimize our market risk.

INTEREST RATE RISK

As of March 31, 2000, we do not have any bank loan or other credit facility, nor do we have any outstanding debt securities, and, accordingly, we are not generally subject to any direct risk of loss arising from changes in interest rates.

FOREIGN CURRENCY RISK

We have wholly-owned subsidiaries in Hong Kong. Sales from these operations are denominated in U.S. dollars. However, purchases of inventory and operating expenses are typically denominated in Hong Kong dollars, thereby creating exposure to changes in exchange rates. Changes in the Hong Kong dollar/U.S. dollar exchange rate may positively or negatively affect our gross margins, operating income and retained earnings. The exchange rate of the Hong Kong dollar to the U.S. dollar has been fixed by the Hong Kong government since 1983 at HK$7.80 to US$1.00 and, accordingly, has not represented a currency exchange risk to the U.S. dollar. We do not believe that near-term changes in exchange rates, if any, will result in a material effect on our future earnings, fair values or cash flows, and therefore, we have chosen not to enter into foreign currency hedging transactions. We cannot assure you that this approach will be successful, especially in the event of a significant and sudden change in the value of the Hong Kong dollar.

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

We expect to hold our annual meeting of stockholders on June 23, 2000 and to mail the proxy materials relating to the meeting on or about May 24, 2000. We have not received notice of any proposal or other matter to be presented by any stockholder at the meeting.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

NUMBER	DESCRIPTION
3.1	Restated Certificate of Incorporation of the Company(1)
3.1.1	Certificate of Designation and Preferences of Series A Cumulative Convertible Preferred Stock of the Company(2)
3.1.2	Certificate of Elimination of All Shares of 4% Redeemable Convertible Preferred Stock of the Company(2)
3.1.3	Certificate of Amendment of Restated Certificate of Incorporation of the Company(3)
3.2.1	By-Laws of the Company(1)
3.2.2	Amendment to By-Laws of the Company(4)
10.3.1*	Amendment, dated as of February 7, 2000, to Employment Agreement between the Company and Jack Friedman(5)
10.3.2*	Amendment, dated as of February 7, 2000, to Employment Agreement between the Company and Stephen G. Berman(5)
27	Financial Data Schedule(6)

- -------------------------

* Management contract or compensatory plan, contract or arrangement.

(1) Filed previously as an exhibit to the Company's Registration Statement on Form SB-2 (Reg. No. 333-2048-LA), effective May 1, 1996, and incorporated herein by reference.

(2) Filed previously as an exhibit to the Company's Current Report on Form 8-K, filed April 7, 1998, and incorporated herein by reference.

(3) Filed previously as exhibit 4.1.2 of the Company's Registration Statement on Form S-3 (Reg. No. 333-74717), filed on March 9, 1999, and incorporated herein by reference.

(4) Filed previously as an exhibit to the Company's Registration Statement on Form SB-2 (Reg. No. 333-22583), effective May 1, 1997, and incorporated herein by reference.

(5) Filed previously as an exhibit to the Company's Annual Report on Form 10-K for its fiscal year ended December 31, 1999, filed on March 30, 2000, and incorporated herein by reference.

(6) Filed herewith.

(b) Reports on Form 8-K

No Current Report on Form 8-K was filed in the fiscal quarter ended March 31, 2000.

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, thereunto duly authorized.

Registrant:

JAKKS PACIFIC, INC.

Date: May 11, 2000

By: /s/ Joel M. Bennett

Chief Financial Officer
(Principal Financial Officer)

EXHIBIT INDEX

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3-MOS
DEC-31-2000
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MAR-31-2000
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