

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):  
February 17, 2004 (February 17, 2004)

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

JAKKS PACIFIC, INC.  
INDEX TO FORM 8-K  
FILED WITH THE SECURITIES AND EXCHANGE COMMISSION  
February 17, 2004

ITEMS IN FORM 8-K

|   | Page |
|---|------|
| Facing Page                               | 1    |
| Item 7. Financial Statements and Exhibits | 3    |
| Item 9. Regulation FD Disclosure          | 3    |
| Signatures                                | 4    |
| Exhibit Index                             | 5    |

Item 7. Financial Statements and Exhibits.

(c) Exhibits

| Exhibit<br>Number<br>----- | Description<br>-----            |
|----------------------------|---------------------------------|
| 99.1*                      | February 17, 2004 Press Release |

-----  
\* Filed herewith

Item 9. Regulation FD Disclosure.

In accordance with the interim guidance issued by the Commission on March 27, 2003 in Final Rule Release No. 33-8216, the information reported in this Report is being provided under Item 12.

On February 17, 2004, the Company issued a press release announcing its results of operations for the quarter and year ended December 31, 2003. A copy of such release is annexed as an exhibit and is incorporated by reference hereto in its entirety.

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 17, 2004

JAKKS PACIFIC, INC.

By: /s/ Jack Friedman

---

Jack Friedman  
Chairman and Chief  
Executive Officer

Exhibit Index

| Exhibit<br>Number | Description                     |
|-------------------|---------------------------------|
| 99.1*             | February 17, 2004 Press Release |

-----  
\* Filed herewith

JAKKS Pacific Reports Fourth Quarter and Year-End Results for 2003;  
Company Achieves Record Fourth Quarter Sales;  
Sales and Earnings Growth Expected in 2004

MALIBU, Calif.--(BUSINESS WIRE)--Feb. 17, 2004--JAKKS Pacific, Inc. (Nasdaq:JAKK), a leading multi-brand company that designs and markets a broad range of toys, leisure products, crafts and writing instruments, today announced its results for the fourth quarter and year ended December 31, 2003.

For the fourth quarter of 2003, net sales increased to \$84.4 million from \$68.5 million in the comparable period last year. Excluding a pre-tax charge of \$2.1 million, or \$0.07 per diluted share, for the accounts receivable write-offs attributable to recent customer bankruptcies, net income for the fourth quarter of 2003 was \$8.9 million, or \$0.36 per diluted share, as compared to net income of \$6.2 million, or \$0.25 per diluted share, in the fourth quarter of 2002, which excludes a one-time pre-tax restructuring and recall benefit of \$1.4 million. Reported net income for the fourth quarter of 2003 was \$7.1 million, or \$0.29 per diluted share, as compared to \$7.3 million, or \$0.30 per diluted share, for the fourth quarter of last year.

The Company's net sales for the year increased to \$315.8 million, as compared to \$310.0 million in 2002. Excluding the one-time charge of \$2.0 million for a product recall earlier in the year, the \$2.1 million charge for the customer bankruptcies in 2003, and the net restructuring and recall charges of \$6.7 million in 2002, net income for the year was \$29.2 million, or \$1.18 per diluted share, as compared to \$36.5 million, or \$1.61 per diluted share in 2002. Reported net income for 2003 was \$25.9 million, or \$1.05 per diluted share, as compared to \$31.3 million, or \$1.37 per diluted share in 2002.

Jack Friedman, Chairman and Chief Executive Officer, said, "We are pleased to report another year of solid sales for 2003 including robust growth in the fourth quarter, with strong sell-through in our mass merchant and other retail distribution channels. While we continue to be affected by a challenging industry environment, including the recent bankruptcies of KB Toys, FAO Schwarz and others, we believe that with our diverse product offerings and categories, we are well positioned for growth in 2004. As the number of stores in our primary channel base has declined, we are working to place more SKUs on these shelves, while at the same time concentrating on expanding sales of our products beyond traditional toy retailers to other retail channels, including electronics, drug, convenience and office supply stores.

"We were pleased with sales of our products featuring key licenses during the quarter, including WWE and Dragon Ball figure assortments, and our Atari and Namco TV Games. We have announced a number of new key licenses that we are adding to our TV Games line of product, including Ms. Pac-Man(R) and Spider-Man(R), and are pleased with strong initial sales of our two newest titles: a relaunch of Activision TV Games and a version based on SpongeBob SquarePants."

JAKKS Pacific is forecasting 2004 net sales, excluding acquisitions, to be in the range of \$330 to \$340 million and diluted earnings per share of \$1.20 to \$1.30, excluding non-cash stock-based compensation expense of \$9.3 million, of which \$8.3 million is related to restricted stock grants, which the Company expects to incur in the first quarter.

Stephen Berman, President and Chief Operating Officer, said, "As we look for additional ways to grow our business in 2004, we will continue to focus on the internal development of new licensed and proprietary concepts, as well as innovative extensions to product lines based on our top licenses. We are particularly excited about several new TV Games versions in the first half of the year, with many more to follow in the second half, a new scrapbook line for teens developed internally called My OverStuffed Life and the launch of our Mucha Lucha product at retail. Other highlights include toys for Universal Studios' Classic Monsters and new monsters based on their feature film Van Helsing, and new products for our WWE and other boys action product lines.

"Our strategy for 2004 will be to increase our marketing endeavors to launch new and extend existing categories throughout the year, while maximizing our operating efficiencies and further leveraging our retail sales channels and international distribution efforts. In the first quarter of 2004, we will see nominal sales growth in conjunction with an increase in advertising and marketing spending, but expect to see results from these efforts beginning in the second quarter and moving forward with higher sales and profit growth. In addition, we will continue to actively pursue complementary and accretive acquisitions that provide both near and long-term growth potential and

market-share expansion opportunities.

"With our strong operating cash flow and working capital of \$234.0 million, including cash and cash equivalents and marketable securities of \$137.5 million, we are well-positioned to maintain our status as a leader in the toy, writing instruments and leisure products markets, and also well-positioned to evaluate meaningful acquisition opportunities," Mr. Berman concluded.

Anyone interested will be able to listen to the teleconference, scheduled to begin at 8:30 a.m. EST (5:30 a.m. PST) on February 17th, via the Internet at [www.jakkspace.com](http://www.jakkspace.com). This website will host an archive of the teleconference for 30 days.

A telephonic playback will be available from 9:30 a.m. EST on February 17th through 12:00 a.m. EST on February 24th. The playback can be accessed by calling 800-642-1687 or 706-645-9291 for international callers, passcode "5141623."

JAKKS Pacific, Inc. is a multi-brand company that designs and markets a broad range of toys and leisure products. The product categories include: Action Figures, Arts & Crafts Activity Kits, Stationery, Writing Instruments, Performance Kites, Water Toys, Sports Activity Toys, Vehicles, Infant/Pre-School, Plush and Dolls. The products are sold under various brand names including Flying Colors(R), Road Champs(R), Remco(R), Child Guidance(R), Pentech(R), Trendmasters(R), Toymax(R), Funnoodle(R), Go Fly a Kite(R) and JPI ColorWorkshop(TM). The Company also participates in a joint venture with THQ Inc. that has exclusive worldwide rights to publish and market World Wrestling Entertainment(TM) video games. For further information, visit [www.jakkspace.com](http://www.jakkspace.com).

This press release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, estimates and projections about JAKKS' business based, in part, on assumptions made by its management. These statements are not guarantees of JAKKS' 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 forward-looking statements due to numerous factors, including, but not limited to, those described above and the following: changes in demand for JAKKS' products, product mix, the timing of customer orders and deliveries, the impact of competitive products and pricing and difficulties encountered in the integration of acquired businesses. The forward-looking statements contained herein speak only as of the date on which they are made, and JAKKS does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

JAKKS Pacific, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets

|   | December 31,<br>2003 | December 31,<br>2002 |
|---|----------------------|----------------------|
|   | ----                 | ----                 |
| ASSETS  |                      |                      |
| Current assets:                                   |                      |                      |
| Cash and cash equivalents                         | \$118,182,099        | \$68,412,826         |
| Marketable Securities                             | 19,344,691           | --                   |
| Accounts receivable, net                          | 86,119,572           | 56,195,578           |
| Inventory, net                                    | 44,399,886           | 38,009,747           |
| Notes receivable - officers                       | --                   | 1,113,000            |
| Prepaid expenses and other<br>current assets      | 12,240,167           | 8,616,160            |
| Deferred income taxes                             | 6,131,634            | 4,445,658            |
| Total current assets                              | 286,418,049          | 176,792,969          |
| Property and equipment                            | 43,685,401           | 39,465,148           |
| Less accumulated depreciation and<br>amortization | 31,750,638           | 24,639,593           |
| Property and equipment, net                       | 11,934,763           | 14,825,555           |
| Goodwill, net                                     | 206,951,576          | 189,335,933          |
| Trademarks & other assets, net                    | 24,793,330           | 19,736,847           |
| Investment in joint venture                       | 8,039,887            | 8,118,645            |
| Total assets                                      | \$538,137,605        | \$408,809,949        |

LIABILITIES AND STOCKHOLDERS' EQUITY

|   |               |               |  |
|---|---------------|---------------|--|
| Current liabilities:                          |               |               |  |
| Accounts payable and accrued expenses         | \$50,382,331  | \$41,967,851  |  |
| Current portion of long term debt             | 19,036        | 17,805        |  |
| Income taxes payable                          | 2,021,437     | 5,624,532     |  |
| Total current liabilities                     | 52,422,804    | 47,610,188    |  |
| Long term debt, net of current portion        | 98,042,108    | 59,683        |  |
| Deferred income taxes                         | 5,868,398     | 562,948       |  |
|   | 103,910,506   | 622,631       |  |
| Total liabilities                             | 156,333,310   | 48,232,819    |  |
| Stockholders' equity:                         |               |               |  |
| Common stock, \$.001 par value                | 24,231        | 24,473        |  |
| Additional paid-in capital                    | 235,798,746   | 240,101,458   |  |
| Retained earnings                             | 146,330,441   | 120,451,199   |  |
| Accumulated other comprehensive income (loss) | (349,123)     | --            |  |
|   | 381,804,295   | 360,577,130   |  |
| Total liabilities and stockholders' equity    | \$538,137,605 | \$408,809,949 |  |

JAKKS Pacific, Inc. and Subsidiaries  
Fourth Quarter Earnings Announcement, 2003  
Condensed Statements of Operations (Unaudited)

|  | Three Months Ended |              | Twelve Months Ended |               |
|--|--------------------|--------------|---------------------|---------------|
|  | December 31,       |              | December 31,        |               |
|  | 2003               | 2002         | 2003                | 2002          |
|  | ----               | ----         | ----                | ----          |
| Net sales  | \$84,418,626       | \$68,477,943 | \$315,776,407       | \$310,004,747 |
| Less cost of sales   |                    |              |                     |               |
| Cost of goods  | 42,349,604         | 35,431,358   | 160,517,978         | 151,916,303   |
| Royalty expense  | 5,577,578          | 4,352,481    | 22,528,567          | 20,331,532    |
| Amortization of tools and molds                                | 1,430,886          | 1,628,332    | 6,095,237           | 7,217,392     |
| Cost of sales  | 49,358,068         | 41,412,171   | 189,141,782         | 179,465,227   |
| Gross profit   | 35,060,558         | 27,065,772   | 126,634,625         | 130,539,520   |
| Direct selling expenses  | 14,496,461         | 12,435,069   | 42,396,557          | 42,016,429    |
| Selling, general and administrative expenses                   | 14,920,421         | 13,856,604   | 50,829,730          | 47,844,845    |
| Acquisition shut-down and recall costs                         | 2,091,986          | (1,403,792)  | 4,091,986           | 6,717,705     |
| Depreciation and amortization                                  | 465,572            | 419,930      | 2,083,690           | 1,975,937     |
| Income from operations   | 3,086,118          | 1,757,961    | 27,232,662          | 31,984,604    |
| Other (income) expense:  |                    |              |                     |               |
| Profit from Joint Venture                                      | (6,047,624)        | (5,423,286)  | (7,351,324)         | (8,003,925)   |
| Interest, net  | 611,108            | (171,152)    | 1,405,471           | (1,141,191)   |
| Other  | --                 | --           | --                  | --            |
| Income before provision for income taxes and minority interest | 8,522,634          | 7,352,399    | 33,178,515          | 41,129,720    |
| Provision for income taxes                                     | 1,381,862          | (71,339)     | 7,299,273           | 9,048,538     |
| Income before minority interest                                | 7,140,772          | 7,423,738    | 25,879,242          | 32,081,182    |
| Minority interest  | --                 | 94,573       | --                  | 809,718       |
| Net income   | \$7,140,772        | \$7,329,165  | \$25,879,242        | \$31,271,464  |
| Earnings per share   |                    |              |                     |               |
| - diluted  | \$0.29             | \$0.30       | \$1.05              | \$1.37        |
| Shares used in earnings per share                              |                    |              |                     |               |
| - diluted  | 24,642,210         | 24,800,461   | 24,677,333          | 22,746,507    |

CONTACT: JAKKS Pacific, Inc.  
Genna Goldberg, 310-455-6235  
or  
Integrated Corporate Relations  
John F. Mills, 310-395-2215

