
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):
October 22, 2007 (October 22, 2007)

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
October 22, 2007

ITEMS IN FORM 8-K

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Item 2.02. Results of Operations and Financial Condition.

On October 22, 2007, we issued a press release announcing our results of operations for the quarter ended September 30, 2007. 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* | October 22, 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: October 22, 2007

JAKKS PACIFIC, INC.

By: /s/ Jack Friedman

Jack Friedman
Chairman and Chief Executive Officer

Exhibit Index

| Exhibit Number ----- | Description ----- |
|----------------------------|--------------------------------|
| 99.1* | October 22, 2007 Press Release |

* Filed herewith

JAKKS Pacific(R) Reports 2007 Third Quarter Results

-- Achieves Record Third Quarter Sales and Earnings --

-- Reiterates Record Year Guidance for 2007 --

MALIBU, Calif.--(BUSINESS WIRE)--Oct. 22, 2007--JAKKS Pacific, Inc. (NASDAQ:JAKK), a leading toy and consumer products company, announces results for the Company's third quarter and first nine months ended September 30, 2007.

Third quarter 2007 net sales were \$318.4 million, compared to \$295.8 million recorded in the comparable period last year. Net income for the third quarter was \$47.3 million, or \$1.45 per diluted share, compared to \$40.5 million, or \$1.26 per diluted share, reported in the third quarter of 2006.

Net sales for the nine months ended September 30, 2007 were \$572.0 million, compared to \$527.1 million during the same period in 2006. Net income for the first nine months of 2007 was \$55.6 million, or \$1.75 per diluted share, compared to the first nine months of 2006 earnings of \$49.2 million, or \$1.57 per diluted share.

"We shipped many of our major holiday items during the third quarter, and are quite pleased with the distribution and retail sell-throughs we have been experiencing, as well as with the reception by retailers and the media, as evidenced by our inclusion on virtually all of this season's Hot Holiday Toy Lists," said Jack Friedman, Chairman and Chief Executive Officer, JAKKS Pacific. "We are proud of our most expansive product line to date and are seeing positive momentum at retail thus far into the fourth quarter. We believe both JAKKS and our product lines are well positioned for the 2007 holiday season."

"We have a number of noteworthy drivers for JAKKS this year, including our Hannah Montana(TM) toys, WWE(R) and Pokemon(R) toys, classic Disney(R) Princess role play items, and electronic toys, most notably, the Plug it in and Play EyeClops(TM) Bionic Eye," added JAKKS' President and Chief Operating Officer, Stephen Berman. "We expect kids and adults everywhere will also want our 25th Anniversary Collectible Care Bears(R) Plush, Disney's The Cheetah Girls(TM) dolls and playsets, Puppy in My Pocket(R) toys, among others."

"Earlier this month we previewed JAKKS' 2008 product portfolio to retailers at the Dallas Fall Toy Preview, and the response was excellent. We expect to introduce new initiatives based on popular licenses, such as Neopets(R), Discovery Kids(R), the Disney epic, The Chronicles of Narnia(R), The Wiggles(R) and SpongeBob SquarePants(R), along with new initiatives based on popular and emerging trends of our time. We also look forward to new, expanded lines based on classic characters and the premiere brands currently in our portfolio."

Friedman continued, "We remain confident that JAKKS Pacific will achieve at least its previously announced 2007 full-year guidance of \$800 million in net sales and net income of \$75.8 million, or \$2.39 per diluted share. Our financial position remains very strong and, as of September 30, 2007, JAKKS had approximately \$342.2 million in working capital, including \$186.6 million cash and equivalents."

Berman concluded, "We continue to evaluate potential acquisition opportunities, and believe that our free cash flow, along with cash and equivalents we have on hand, position us well to execute on this component of our business growth strategy. At the same time, we continue to invest our resources in product development and licensing and marketing opportunities that we expect will benefit both JAKKS and ultimately our valued shareholders. Overall, we are excited by the future that lies ahead for JAKKS Pacific."

Conference Call

JAKKS Pacific is hosting a teleconference today at 7:00 a.m. PDT (10:00 a.m. EDT) on October 22, 2007. Anyone interested will be able to listen to the teleconference via the Internet at www.jakks.com, www.CompanyBoardroom.com, or www.StreetEvents.com. These website will host an archive of the teleconference for 30 days. A telephone playback will also be available from 11:00 a.m. ET on October 22, 2007 through 12:00 a.m. ET on November 22, 2007, and can be accessed by calling 800-642-1687, or 706-645-9291 for international callers, pass code "21236036."

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), Funnoodle(R), Go Fly a Kite(R), Color Workshop(R), JAKKS Pets(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.jakks.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.

JAKKS Pacific, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

| | September 30, 2007 | December 31, 2006 |
|--|-----------------------|----------------------|
| ----- | | |
| (In thousands) | | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$186,589 | \$184,489 |
| Marketable securities | 216 | 210 |
| Accounts receivable, net | 209,056 | 153,116 |
| Inventory, net | 93,762 | 76,788 |
| Deferred income taxes | 8,537 | 10,592 |
| Prepaid expenses and other current assets | 27,771 | 26,543 |
| | ----- | ----- |
| Total current assets | 525,931 | 451,738 |
| | ----- | ----- |
| Property and equipment | 55,963 | 49,781 |
| Less accumulated depreciation and amortization | 35,427 | 32,898 |
| | ----- | ----- |
| Property and equipment, net | 20,536 | 16,883 |
| | ----- | ----- |
| Deferred income taxes | 1,566 | - |
| Goodwill, net | 340,007 | 337,999 |
| Trademarks & other assets, net | 49,215 | 60,401 |
| Investment in video game joint venture | 18,025 | 14,873 |
| | ----- | ----- |
| Total assets | \$955,280 | \$881,894 |
| | ===== | ===== |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--|-----------|-----------|
| Current liabilities: | | |
| Accounts payable and accrued expenses | \$145,657 | \$120,238 |
| Reserve for sales returns and allowances | 19,399 | 32,589 |
| Income taxes payable | 18,636 | 18,548 |
| | ----- | ----- |

| | | |
|---|-----------|-----------|
| Total current liabilities | 183,692 | 171,375 |
| Long term debt | 98,000 | 98,000 |
| Other liabilities | 6,003 | 854 |
| Income taxes payable | 9,598 | - |
| Deferred income taxes | 2,244 | 2,377 |
| | 115,845 | 101,231 |
| Total liabilities | 299,537 | 272,606 |
| Stockholders' equity: | | |
| Common stock, \$.001 par value | 28 | 28 |
| Additional paid-in capital | 307,145 | 300,255 |
| Retained earnings | 352,020 | 312,432 |
| Accumulated other comprehensive income (loss) | (3,450) | (3,427) |
| | 655,743 | 609,288 |
| Total liabilities and stockholders' equity | \$955,280 | \$881,894 |

JAKKS Pacific, Inc. and Subsidiaries
Third Quarter Earnings Announcement, 2007
Condensed Statements of Income (Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---------------------------------------|-----------|------------------------------------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| | (In thousands, expect per share data) | | | |
| Net sales | \$318,391 | \$295,789 | \$572,000 | \$527,075 |
| Less cost of sales | | | | |
| Cost of goods | 163,034 | 155,466 | 296,532 | 269,546 |
| Royalty expense | 29,181 | 25,793 | 54,638 | 46,878 |
| Amortization of tools and molds | 2,126 | 1,647 | 5,977 | 4,326 |
| Cost of sales | 194,341 | 182,906 | 357,147 | 320,750 |
| Gross profit | 124,050 | 112,883 | 214,853 | 206,325 |
| Direct selling expenses | 20,132 | 21,908 | 40,956 | 48,132 |
| Selling, general and administrative expenses | 34,798 | 28,496 | 87,021 | 75,796 |
| Depreciation and amortization | 4,063 | 4,275 | 12,007 | 12,986 |
| Income from operations | 65,057 | 58,204 | 74,869 | 69,411 |
| Other income (expense): | | | | |
| Profit (loss) from video game joint venture | 908 | (245) | 3,117 | 732 |
| Interest income | 1,814 | 1,029 | 5,121 | 3,530 |
| Interest expense | (692) | (1,133) | (3,855) | (3,400) |
| Other expense | - | - | - | - |
| Income before provision for income taxes | 67,087 | 57,855 | 79,252 | 70,273 |
| Provision for income taxes | 19,769 | 17,356 | 23,662 | 21,083 |
| Net income | \$ 47,318 | \$ 40,499 | \$ 55,590 | \$ 49,190 |
| Earnings per share - diluted | \$ 1.45 | \$ 1.26 | \$ 1.75 | \$ 1.57 |
| Shares used in earnings per share - diluted | 33,145 | 32,736 | 33,083 | 32,731 |

CONTACT: JAKKS Pacific, Inc.
Genna Rosenberg, 310-455-6235
or
Joel Bennett, 310-455-6210