

KOMATSU LTD
Form 6-K
February 10, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 6-K
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934
For the month of February, 2011
COMMISSION FILE NUMBER: 1-7239
KOMATSU LTD.**

Translation of registrant's name into English
3-6 Akasaka 2-chome, Minato-ku, Tokyo, Japan
Address of principal executive office

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T
Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____

INFORMATION TO BE INCLUDED IN REPORT

1. Quarterly Report for the Third Quarter of the 142nd Fiscal Year filed on February 9, 2011

On February 9, 2011, the registrant filed its Quarterly Report (*Shihanki Houkokusho*) with the Director of the Kanto Local Finance Bureau of Japan pursuant to the Financial Instruments and Exchange Act of Japan. This Quarterly Report contains, among other information, Quarterly Consolidated Financial Statements for the nine months period ended December 31, 2010 and the three months period ended December 31, 2010.

Material information in the report, other than the Quarterly Consolidated Financial Statements, has already been reported by the registrant in its press release dated January 27, 2011, a copy of which was submitted under cover of Form 6-K on January 28, 2011 by the registrant.

Attached is an English translation of the registrant's Quarterly Consolidated Financial Statements for the nine months period ended December 31, 2010 and the three months period ended December 31, 2010.

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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.

KOMATSU LTD.
(Registrant)

Date: February 10, 2011

By: /s/ Kenji Kinoshita
Kenji Kinoshita
Director and Senior Executive Officer

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[Quarterly Consolidated Financial Statements]
 Consolidated Balance Sheets (Unaudited)
 Komatsu Ltd. and Consolidated Subsidiaries
 December 31, 2010 and March 31, 2010

	December 31, 2010		March 31, 2010	
	Millions of yen	Component ratio (%)	Millions of yen	Component ratio (%)
Assets				
Current assets				
Cash and cash equivalents	¥ 84,353		¥ 82,429	
Time deposits	606		1,132	
Trade notes and accounts receivable, less allowance for doubtful receivables of ¥13,725 million at December 31, 2010 and ¥14,941 million at March 31, 2010	442,298		447,693	
Inventories (Note 3)	458,105		396,416	
Deferred income taxes and other current assets (Notes 8, 9 and 10)	127,099		112,451	
Total current assets	1,112,461	55.6	1,040,121	53.1
Long-term trade receivables	157,681	7.9	150,972	7.7
Investments				
Investments in and advances to affiliated companies	24,689		24,002	
Investment securities (Notes 4, 9 and 10)	57,579		60,467	
Other	2,979		2,399	
Total investments	85,247	4.3	86,868	4.4
Property, plant and equipment less accumulated depreciation of ¥633,806 million at December 31, 2010 and ¥631,973 million at March 31, 2010	510,619	25.5	525,100	26.8
Goodwill	28,934	1.4	29,570	1.5
Other intangible assets	56,931	2.9	61,729	3.2
Deferred income taxes and other assets (Notes 8, 9 and 10)	48,073	2.4	64,695	3.3
	¥ 1,999,946	100.0	¥ 1,959,055	100.0

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these balance sheets.

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	December 31, 2010		March 31, 2010	
	Millions of	Component	Millions of	Component
	yen	ratio (%)	yen	ratio (%)
Liabilities and Equity				
Current liabilities				
Short-term debt	¥ 111,555		¥ 123,438	
Current maturities of long-term debt (Notes 9 and 10)	99,599		105,956	
Trade notes, bills and accounts payable	279,014		207,024	
Income taxes payable	20,388		22,004	
Deferred income taxes and other current liabilities (Notes 8, 9 and 10)	183,801		183,324	
Total current liabilities	694,357	34.7	641,746	32.7
Long-term liabilities				
Long-term debt (Notes 9 and 10)	329,857		356,985	
Liability for pension and retirement benefits	41,653		46,354	
Deferred income taxes and other liabilities (Notes 8, 9 and 10)	35,067		37,171	
Total long-term liabilities	406,577	20.3	440,510	22.5
Total liabilities	1,100,934	55.0	1,082,256	55.2

Commitments and contingent liabilities (Note 7)**Equity****Komatsu Ltd. shareholders equity**

Common stock:

Authorized 3,955,000,000 shares at December 31, 2010 and at March 31, 2010

Issued 998,744,060 shares at December 31, 2010 and at March 31, 2010

67,870

67,870

Outstanding 967,784,233 shares at December 31, 2010 and 968,039,976 shares at March 31, 2010

Capital surplus

140,561

140,421

Retained earnings:

Appropriated for legal reserve

33,243

31,983

Unappropriated

798,274

724,090

Accumulated other comprehensive income (loss) (Note 4)

(151,154)

(95,634)

Treasury stock at cost, 30,959,827 shares at December 31, 2010 and 30,704,084 shares at March 31, 2010

(35,268)

(34,755)

Total Komatsu Ltd. shareholders equity	853,526	42.7	833,975	42.6
Noncontrolling interests	45,486	2.3	42,824	2.2
Total equity	899,012	45.0	876,799	44.8
	¥ 1,999,946	100.0	¥ 1,959,055	100.0

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these balance sheets.

Table of Contents**Consolidated Statements of Income (Unaudited)**

Komatsu Ltd. and Consolidated Subsidiaries

Nine months ended December 31, 2010 and 2009

	Nine months ended December 31, 2010		Nine months ended December 31, 2009	
	Millions of yen	Component ratio (%)	Millions of yen	Component ratio (%)
Net sales	¥ 1,301,973	100.0	¥ 1,003,927	100.0
Cost of sales	946,407	72.7	780,516	77.7
Selling, general and administrative expenses (Note 5)	190,488	14.6	181,204	18.0
Other operating income (expenses), net	(2,331)	(0.2)	(6,110)	(0.6)
Operating income	162,747	12.5	36,097	3.6
Other income (expenses), net	(3,844)		(1,409)	
Interest and dividend income	3,012	0.2	5,215	0.5
Interest expense	(4,651)	(0.4)	(7,276)	(0.7)
Other, net (Notes 4, 8 and 10)	(2,205)	(0.2)	652	0.1
Income before income taxes and equity in earnings of affiliated companies	158,903	12.2	34,688	3.5
Income taxes				
Current	31,743		24,169	
Deferred	23,907		(12,330)	
Total	55,650	4.3	11,839	1.2
Income before equity in earnings of affiliated companies	103,253	7.9	22,849	2.3
Equity in earnings of affiliated companies	2,399	0.2	556	0.1
Net income	105,652	8.1	23,405	2.3
Less net income attributable to noncontrolling interests	(5,030)	(0.4)	(5,050)	(0.5)
Net income attributable to Komatsu Ltd.	¥ 100,622	7.7	¥ 18,355	1.8

Yen

	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Net income attributable to Komatsu Ltd. per share (Note 6)		
Basic	¥ 103.97	¥ 18.96
Diluted	103.91	18.95
Cash dividends per share (Note 12)	26.00	26.00

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these statements.

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Three months ended December 31, 2010 and 2009

	Three months ended December 31, 2010		Three months ended December 31, 2009	
	Millions of yen	Component ratio (%)	Millions of yen	Component ratio (%)
Net sales	¥ 442,210	100.0	¥ 357,964	100.0
Cost of sales	316,530	71.6	275,434	76.9
Selling, general and administrative expenses (Note 5)	65,738	14.9	61,721	17.2
Other operating income (expenses), net	(1,107)	(0.3)	(4,497)	(1.3)
Operating income	58,835	13.3	16,312	4.6
Other income (expenses), net	(43)		(76)	
Interest and dividend income	683	0.2	1,250	0.3
Interest expense	(1,362)	(0.3)	(2,151)	(0.6)
Other, net (Notes 4, 8 and 10)	636	0.1	825	0.2
Income before income taxes and equity in earnings of affiliated companies	58,792	13.3	16,236	4.5
Income taxes				
Current	13,857		8,681	
Deferred	8,286		(3,485)	
Total	22,143	5.0	5,196	1.5
Income before equity in earnings of affiliated companies	36,649	8.3	11,040	3.1
Equity in earnings of affiliated companies	1,201	0.3	515	0.1
Net income	37,850	8.6	11,555	3.2
Less net income attributable to noncontrolling interests	(992)	(0.2)	(1,398)	(0.4)
Net income attributable to Komatsu Ltd.	¥ 36,858	8.3	¥ 10,157	2.8

Yen

Three months ended **Three months ended**

	December 31, 2010	December 31, 2009
Net income attributable to Komatsu Ltd. per share (Note 6)		
Basic	¥ 38.09	¥ 10.49
Diluted	38.06	10.49
Cash dividends per share (Note 12)	18.00	8.00

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these statements.

Table of Contents**Consolidated Statements of Equity (Unaudited)**

Komatsu Ltd. and Consolidated Subsidiaries

Nine months ended December 31, 2010

	Millions of yen					Treasury stock	Total Komatsu Ltd. sharehold- ers' equity	Noncontrolling interests	Total equity
	Common stock	Capital surplus	Retained earnings Appropriated for legal reserve	Accumulated other comprehensive income Unappropriated	(loss)				
Balance at March 31, 2010	¥67,870	¥140,421	¥31,983	¥724,090	¥(95,634)	¥(34,755)	¥833,975	¥42,824	¥876,799
Cash dividends (Note 12)				(25,178)			(25,178)	(975)	(26,153)
Transfer to retained earnings appropriated for legal reserve			1,260	(1,260)					
Other changes Comprehensive income(loss)								1,910	1,910
Net income				100,622			100,622	5,030	105,652
Other comprehensive income(loss), for the period, net of tax									
Foreign currency translation adjustments					(56,935)		(56,935)	(3,382)	(60,317)
Net unrealized holding gains (losses) on securities available for sale					274		274		274
Pension liability adjustments					418		418		418
Net unrealized holding gains (losses) on derivative instruments (Note 8)					723		723	79	802

Comprehensive income (loss)							45,102	1,727	46,829
Issuance and exercise of stock acquisition rights (Note 5)		133					133		133
Purchase of treasury stock						(572)	(572)		(572)
Sales of treasury stock		7				59	66		66
Balance at December 31, 2010	¥ 67,870	¥ 140,561	¥ 33,243	¥ 798,274	¥ (151,154)	¥ (35,268)	¥ 853,526	¥ 45,486	¥ 899,012

Nine months ended December 31, 2009

	Millions of yen							Total Komatsu Ltd.	Noncontrolling interests	Total equity	
	Retained earnings		Accumulated		Total		Treasury stock				shareholders' equity
	Common stock	Capital surplus	Appropriated for legal reserve	Unappropriated comprehensive income (loss)	other comprehensive income (loss)	equity					
Balance at March 31, 2009	¥ 67,870	¥ 140,092	¥ 28,472	¥ 719,222	¥ (105,744)	¥ (34,971)	¥ 814,941	¥ 33,393	¥ 848,334		
Cash dividends				(25,180)			(25,180)	(1,735)	(26,915)		
Transfer to retained earnings appropriated for legal reserve			2,688	(2,688)							
Other changes Comprehensive income(loss)								1,514	1,514		
Net income				18,355			18,355	5,050	23,405		
Other comprehensive income(loss), for the period, net of tax											
Foreign currency translation adjustments					(2,018)		(2,018)	1,431	(587)		
Net unrealized holding gains					1,244		1,244		1,244		

(losses) on securities available for sale									
Pension liability adjustments			2,326		2,326		1		2,327
Net unrealized holding gains (losses) on derivative instruments (Note 8)			640		640		678		1,318
Comprehensive income(loss)					20,547		7,160		27,707
Issuance and exercise of stock acquisition rights (Note 5)	413				413				413
Purchase of treasury stock				(22)	(22)				(22)
Sales of treasury stock	(84)			256	172				172
Balance at December 31, 2009	¥ 67,870	¥ 140,421	¥ 31,160	¥ 709,709	¥ (103,552)	¥ (34,737)	¥ 810,871	¥ 40,332	¥ 851,203

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these statements.

Table of Contents**Consolidated Statements of Cash Flows (Unaudited)**

Komatsu Ltd. and Consolidated Subsidiaries

Nine months ended December 31, 2010 and 2009

	Millions of yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Operating activities		
Net income	¥ 105,652	¥ 23,405
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	66,128	67,752
Deferred income taxes	23,907	(12,330)
Net loss (gain) from sale of investment securities and subsidiaries	(72)	(807)
Net loss (gain) on sale of property	(1,946)	(510)
Loss on disposal of fixed assets	948	1,313
Pension and retirement benefits, net	(4,142)	(1,884)
Changes in assets and liabilities:		
Decrease (increase) in trade receivables	(48,750)	(28,410)
Decrease (increase) in inventories	(94,511)	86,846
Increase (decrease) in trade payables	78,182	(30,792)
Increase (decrease) in income taxes payable	(126)	(2,721)
Other, net	7,659	13,457
 Net cash provided by (used in) operating activities	 132,929	 115,319
Investing activities		
Capital expenditures	(74,383)	(69,103)
Proceeds from sale of property	6,317	11,077
Proceeds from sale of available for sale investment securities	1,843	720
Purchases of available for sale investment securities	(493)	(3,465)
Proceeds from sale of subsidiaries and equity investees, net of cash disposed		661
Acquisition of subsidiaries and equity investees, net of cash acquired	758	638
Collection of loan receivables	1,556	10,512
Disbursement of loan receivables	(918)	(1,116)
Decrease (increase) in time deposits	407	(521)
 Net cash provided by (used in) investing activities	 (64,913)	 (50,597)
Financing activities		
Proceeds from long-term debt	50,162	104,021
Repayments on long-term debt	(50,392)	(41,069)

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Increase (decrease) in short-term debt, net	(10,339)	(70,869)
Repayments of capital lease obligations	(24,034)	(25,876)
Sale (purchase) of treasury stock, net	30	150
Dividends paid	(25,178)	(25,180)
Other, net	121	(1,752)
Net cash provided by (used in) financing activities	(59,630)	(60,575)
Effect of exchange rate change on cash and cash equivalents	(6,462)	(1,219)
Net increase (decrease) in cash and cash equivalents	1,924	2,928
Cash and cash equivalents, beginning of year	82,429	90,563
Cash and cash equivalents, end of period	¥ 84,353	¥ 93,491

The accompanying Notes to Quarterly Consolidated Financial Statements are an integral part of these statements.

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Notes to Quarterly Consolidated Financial Statements (Unaudited)

1. Basis of Quarterly Financial Statement Presentation and Summary of Significant Accounting Policies

Basis of Quarterly Financial Statement Presentation

Komatsu Ltd. (Company) and consolidated subsidiaries (together Komatsu) prepare and present the accompanying quarterly consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

Summary of Significant Accounting Policies

There is no material change for Summary of Significant Accounting Policies stated in the annual report for the year ended March 31, 2010.

Table of Contents**2. Supplemental Cash Flow Information**

Additional cash flow information and noncash investing and financing activities for the nine months ended December 31, 2010 and 2009 are as follows:

	Millions of yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Additional cash flow information:		
Interest paid	¥ 4,398	¥ 7,569
Income taxes paid	38,738	6,544
Noncash investing and financing activities:		
Capital lease obligations incurred	¥ 2,147	¥ 12,663

Table of Contents**3. Inventories**

At December 31, 2010 and at March 31, 2010, inventories comprised the following:

	Millions of yen	
	December 31, 2010	March 31, 2010
Finished products, including finished parts held for sale	¥ 292,721	¥ 254,157
Work in process	123,846	102,096
Materials and supplies	41,538	40,163
Total	¥ 458,105	¥ 396,416

Table of Contents**4. Investment Securities**

Investment securities at December 31, 2010 and at March 31, 2010 primarily consisted of securities available for sale. The cost, gross unrealized holding gains and losses, and fair value for such investment securities by major security types at December 31, 2010 and at March 31, 2010 are as follows:

	Cost	Millions of yen Gross unrealized holding		Fair value
		Gains	Losses	
December 31, 2010				
Investment securities:				
Marketable equity securities available for sale	¥ 23,172	¥ 22,739	¥ 39	¥ 45,872
Other investment securities at cost	11,707			
	¥ 34,879			

	Cost	Millions of yen Gross unrealized holding		Fair value
		Gains	Losses	
March 31, 2010				
Investment securities:				
Marketable equity securities available for sale	¥ 24,988	¥ 22,235	¥ 45	¥ 47,178
Other investment securities at cost	13,289			
	¥ 38,277			

Other investment securities primarily include non-marketable equity securities. The fair value of other investment securities was not estimated as it was not practicable to estimate the fair value of investments and no significant events or changes that might have effected the fair value of those investments were observed.

Unrealized holding gains and losses are included as a component of accumulated other comprehensive income (loss) until realized.

Proceeds from the sales of investment securities available for sale were ¥1,843 million and ¥720 million for the nine months ended December 31, 2010 and 2009, respectively.

Impairment losses and net realized gains or losses from sale of investment securities available for sale during the nine months ended December 31, 2010 and 2009 amounted to gains of ¥72 million and gains of ¥807 million, respectively. Impairment losses and net realized gains or losses from sale of investment securities available for sale during the three months ended December 31, 2010 and 2009 amounted to gains of ¥162 million and gains of ¥555 million, respectively. Such gains were included in other income (expenses), net in the accompanying consolidated statements of income.

The cost of the investment securities sold was computed based on the average-cost method.

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5. Stock Option Plan

The Company has two types of stock option plans for directors and certain employees and certain directors of subsidiaries.

The stock option plans resolved by the Board of Directors meetings held in and before June 2010

The right to purchase treasury shares is granted at a predetermined price to directors and certain employees and certain directors of subsidiaries. The purchase price is the amount calculated by taking the average of the closing prices applicable to ordinary transactions of shares of the Company on the Tokyo Stock Exchange on all days for a month immediately preceding the month in which the date of grant of the right falls and multiplying by 1.05, provided that the exercise price shall not be less than the closing price of the shares of the Company on the Tokyo Stock Exchange on the date of the grant.

Based on the resolutions of the shareholders meeting on June 22, 2007 and the Board of Directors on July 14, 2009, the Company issued 239 rights of its share acquisition rights to directors during the year ended March 31, 2010. The Company also issued 403 rights of its share acquisition rights to certain employees and certain directors of subsidiaries during the year ended March 31, 2010 based on the resolutions of the shareholders meeting on June 24, 2009 and the Board of Directors on July 14, 2009. The options vest 100% on each of the grant dates and are exercisable from September 1, 2010.

The stock option plans resolved by the Board of Directors meetings held in July 2010

The right to purchase treasury shares is granted at an exercise price of ¥1 per share to directors and certain employees and certain directors of subsidiaries.

Based on the resolutions of the shareholders meeting on June 23, 2010 and the Board of Directors on July 13, 2010, the Company issued 210 rights of its share acquisition rights to directors and 558 rights of its share acquisition rights to certain employees and certain directors of subsidiaries during the year ending March 31, 2011. The options vest 100% on each of the grant dates and are exercisable from August 2, 2013.

Komatsu recognizes compensation expense using the fair value method. Compensation expenses during the nine months ended December 31, 2010 and 2009 were ¥137 million and ¥413 million, respectively, and were recorded in selling, general and administrative expenses. Compensation expenses after tax during the nine months ended December 31, 2010 and 2009 were ¥82 million and ¥246 million, respectively. Compensation expenses during the three months ended December 31, 2010 and 2009 were ¥82 million and ¥310 million, respectively, and were recorded in selling, general and administrative expenses. Compensation expenses after tax during the three months ended December 31, 2010 and 2009 were ¥49 million and ¥184 million, respectively.

Table of Contents**6. Net Income Attributable to Komatsu Ltd. per Share**

A reconciliation of the numerators and denominators of the basic and diluted net income attributable to Komatsu Ltd. per share computations is as follows:

	Millions of yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Net income attributable to Komatsu Ltd.	¥ 100,622	¥ 18,355
	Number of shares	
	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Weighted average common shares outstanding, less treasury stock	967,788,140	968,000,628
Dilutive effect of:		
Stock options	595,770	414,917
Weighted average diluted common shares outstanding	968,383,910	968,415,545
	Yen	
	Nine months ended December 31, 2010	Nine months ended December 31, 2009
Net income attributable to Komatsu Ltd.:		
Basic	¥ 103.97	¥ 18.96
Diluted	¥ 103.91	¥ 18.95

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	Millions of yen	
	Three months ended December 31, 2010	Three months ended December 31, 2009
Net income attributable to Komatsu Ltd.	¥ 36,858	¥ 10,157
	Number of shares	
	Three months ended December 31, 2010	Three months ended December 31, 2009
Weighted average common shares outstanding, less treasury stock	967,776,292	968,046,436
Dilutive effect of:		
Stock options	765,084	483,967
Weighted average diluted common shares outstanding	968,541,376	968,530,403
		Yen
	Three months ended December 31, 2010	Three months ended December 31, 2009
Net income attributable to Komatsu Ltd.:		
Basic	¥ 38.09	¥ 10.49
Diluted	¥ 38.06	¥ 10.49

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7. Contingent Liabilities

At December 31, 2010 and at March 31, 2010, Komatsu was contingently liable for discounted and transferred receivables on a recourse basis with the financial institutions of ¥4,840 million and ¥9,850 million, respectively. Komatsu provides guarantees to third parties of loans of the employees, affiliated companies, customers and other companies. The guarantees relating to the employees are mainly made for their housing loans. The guarantees of loans relating to the affiliated companies, customers and other companies are made to enhance the credit of those companies.

For each guarantee provided, Komatsu would have to perform under a guarantee, if the borrower defaults on a payment within the contract terms. The contract terms are from 10 years to 30 years in the case of employees with housing loans, and from 1 year to 10 years in the case of loans relating to the affiliated companies, customers and other companies. The maximum amount of undiscounted payments Komatsu would have had to make in the event of default was ¥88,723 million and ¥88,379 million at December 31, 2010 and at March 31, 2010, respectively. The fair value of the liabilities recognized for Komatsu's obligations as guarantors under those guarantees at December 31, 2010 was insignificant. Certain of those guarantees were secured by collateral and insurance issued to Komatsu. Management of Komatsu believes that losses from those contingent liabilities, if any, would not have a material effect on the consolidated financial statements.

Komatsu is involved in certain legal actions and claims arising in the ordinary course of its business. It is the opinion of management and legal counsel that such litigation and claims will be resolved without material effect on Komatsu's financial statements.

Komatsu has business activities with customers, dealers and associates around the world and its trade receivables from such parties are well diversified to minimize concentrations of credit risks. Management does not anticipate incurring losses on its trade receivables in excess of established allowances.

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Notional principal amounts of derivative financial instruments outstanding at December 31, 2010 and at March 31, 2010 are as follows:

	Millions of yen	
	December 31, 2010	March 31, 2010
Forwards and options:		
Sale of foreign currencies	¥ 81,391	¥ 40,209
Purchase of foreign currencies	73,748	48,809
Option contracts (purchased)	204	949
Interest rate swaps, cross-currency swaps and interest rate cap agreements	163,080	184,487

Fair values of derivative instruments at December 31, 2010 and at March 31, 2010 on the consolidated balance sheets are as follows:

Derivative instruments designated as hedging instruments	Millions of yen			
	Derivative Assets		Derivative Liabilities	
	Location on the consolidated Balance Sheets	Estimated fair value	Location on the consolidated Balance Sheets	Estimated fair value
Forwards contracts	Deferred income taxes and other current assets	¥ 1,435	Deferred income taxes and other current liabilities	¥
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Deferred income taxes and other current assets	211	Deferred income taxes and other current liabilities	454
	Deferred income taxes and other assets		Deferred income taxes and other liabilities	
Total		¥ 1,646		¥ 454

Undesignated derivative instruments	Millions of yen			
	Derivative Assets		Derivative Liabilities	
	Location on the consolidated Balance Sheets	Estimated fair value	Location on the consolidated Balance Sheets	Estimated fair value
Forwards contracts	Deferred income taxes and other current assets	¥ 641	Deferred income taxes and other current liabilities	¥ 2,033
	Deferred income taxes and other assets	124	Deferred income taxes and other liabilities	5
Option contracts	Deferred income taxes and other current assets	5	Deferred income taxes and other current liabilities	
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Deferred income taxes and other current assets	4,920	Deferred income taxes and other current liabilities	452
	Deferred income taxes and other assets	10,232	Deferred income taxes and other liabilities	276

Total	¥ 15,922	¥ 2,766
Total Derivative Instruments	¥ 17,568	¥ 3,220

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Millions of yen
March 31, 2010

Derivative instruments designated as hedging instruments	Derivative Assets		Derivative Liabilities	
	Location on the consolidated Balance Sheets	Estimated fair value	Location on the consolidated Balance Sheets	Estimated fair value
Forwards contracts	Deferred income taxes and other current assets	¥ 73	Deferred income taxes and other current liabilities	¥ 830
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Deferred income taxes and other current assets	354	Deferred income taxes and other current liabilities	734
	Deferred income taxes and other assets	99	Deferred income taxes and other liabilities	
Total		¥ 526		¥ 1,564

Undesignated derivative instruments	Derivative Assets		Derivative Liabilities	
	Location on the consolidated Balance Sheets	Estimated fair value	Location on the consolidated Balance Sheets	Estimated fair value
Forwards contracts	Deferred income taxes and other current assets	¥ 90	Deferred income taxes and other current liabilities	¥ 1,248
Option contracts	Deferred income taxes and other current assets	18	Deferred income taxes and other current liabilities	
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Deferred income taxes and other current assets	1,730	Deferred income taxes and other current liabilities	915
	Deferred income taxes and other assets	6,989	Deferred income taxes and other liabilities	901
Total		¥ 8,827		¥ 3,064
Total Derivative Instruments		¥ 9,353		¥ 4,628

The effects of derivative instruments on the consolidated statements of income for the nine months ended December