

MITSUI & CO LTD  
Form 6-K  
February 16, 2011

## **FORM 6-K**

### **SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Report of Foreign Private Issuer**

**Quarterly Consolidated Financial Statements for the three-month period ended December 31, 2010**

**Pursuant to Rule 13a-16 or 15d-16**

**of the Securities Exchange Act of 1934**

**For the month of February 16, 2011**

**Commission File Number 09929**

## **Mitsui & Co., Ltd.**

**(Translation of registrant's name into English)**

**2-1, Ohtemachi 1-chome Chiyoda-ku, Tokyo 100-0004 Japan**

**(Address of principal executive offices)**

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):

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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): \_\_\_\_\_

**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.

Date: February 16, 2011

**MITSUI & CO., LTD.**

By: /s/ Junichi Matsumoto  
Name: Junichi Matsumoto  
Title: Executive Vice President

Chief Financial Officer

**Quarterly Consolidated Financial Statements**

**for the three-month period ended December 31, 2010**

English translation of quarterly consolidated financial statements for the three-month period ended December 31, 2010, which were prepared in accordance with U.S. GAAP and filed as part of the Quarterly Securities Report with the Director of the Kanto Local Finance Bureau of the Ministry of Finance of Japan on February 14, 2011.

The following describes significant changes that occurred during the third quarter consolidated financial period in terms of risk factors listed on Form 20-F for the fiscal year ended March 31, 2010 of Mitsui & Co., Ltd. filed on August 13, 2010 and updated on Form 6-K filed on November 17, 2010:

*We face significant uncertainty regarding the oil spill incident at the Mississippi Canyon 252 Block in the Gulf of Mexico.*

On April 20, 2010, a third party semi-submersible drilling rig, Deepwater Horizon, which was conducting exploration work on the Mississippi Canyon 252 block in the Gulf of Mexico, experienced a blow-out event which led to an explosion, fire and the extensive release of oil into the Gulf of Mexico. MOEX Offshore 2007 LLC (MOEX Offshore), a 100% subsidiary of MOEX USA Corporation (MOEX USA), has a 10% working interest in the block as a non-operator. MOEX USA is a 100% subsidiary of Mitsui Oil Exploration Co., Ltd. (MOECO) in which Mitsui & Co., Ltd. (Mitsui) has a 69.91% equity interest. BP Exploration and Production Inc. (BP), the operator of the project in the block, worked with U.S. government agencies to drill relief wells for the plugging of the well permanently. On September 19, 2010, BP publicly announced that the operations to plug the well were successfully completed and that it would proceed to complete the abandonment of the well and plug and abandon the relief wells.

According to the yearly financial report for the year ended December 31, 2010 of BP p.l.c., the ultimate parent of BP, BP p.l.c. posted approximately US\$40.9 billion of costs related to the Deepwater Horizon incident.

As of December 31, 2010, Mitsui is not able to estimate the total amount of liabilities that it and its consolidated subsidiaries may incur as a result of the Deepwater Horizon incident, and therefore, Mitsui has not posted any financial liabilities during its nine-month period ended December 31, 2010. Based on the Macondo Prospect Offshore Deepwater Operating Agreement (Operating Agreement) concerning the well to which MOEX Offshore and BP are parties, various liabilities associated with the Deepwater Horizon incident are to be paid by BP. Subject to the outcome of the investigation regarding the root cause of the incident and the degree of responsibilities ultimately afforded to the parties concerned, the liability assigned to MOEX Offshore would be zero as of December 31, 2010 at the minimum level where certain conditions are met in the Operating Agreement. The zero accrual is not intended to represent an opinion of Mitsui that it and its consolidated subsidiaries will not incur any future liability related to the Deepwater Horizon incident. Rather, the zero accrual is based on the application of accounting rules to the currently available set of facts where the relevant accounting rules do not require loss recognition in situations where a loss is not considered probable or cannot be reasonably estimated.

Mitsui considered the following factors in determining if, as of December 31, 2010, Mitsui should accrue financial liabilities as a result of the Deepwater Horizon incident.

As of February 14, 2011, MOEX Offshore has received invoices for reimbursement totaling US\$2,859 million from BP. BP has stated that these invoices were issued pursuant to the Operating Agreement and that it considers the invoiced amounts as MOEX Offshore's 10% proportionate share of costs related to the Deepwater Horizon incident. On the other hand, BP p.l.c.'s yearly financial report for the year ended December 31, 2010 states that the amount which was billed to minority interest holders, which hold a 35% interest, as of January 25, 2011 is US\$6,000 million. MOEX Offshore is uncertain how the amounts in the respective invoices it has received have been calculated, and therefore, MOEX Offshore has asked BP for clarification; but, as of February 14, 2011, MOEX Offshore has not received a detailed explanation from BP as to the proper calculation. Taking into consideration the above disclosure made by BP p.l.c. reporting that BP had billed US\$6,000 million as of January 25, 2011 to minority interest holders, which hold a 35% interest, MOEX Offshore estimates that the portion of the costs for the incident paid by BP through the end of December 2010 that corresponds to MOEX Offshore's 10% interest would be approximately US\$1,600 million. In addition, MOEX Offshore is now reviewing the details of these costs. MOEX Offshore expects that it will continue to receive invoices from BP, but is unable reasonably to estimate what the amount of those future invoices will be. It is not certain at this point if MOEX Offshore will have to make payment or not, and it cannot reasonably estimate the size of any payment.

In light of the numerous investigations that are currently taking place to determine the facts and circumstances surrounding the Deepwater Horizon incident and the existence of uncertainty with respect to application of the provisions in the Operating Agreement, MOEX Offshore has withheld payment of invoices BP has issued to it seeking reimbursement of costs incurred by BP related to BP's response to the incident. MOEX Offshore expects to continue to withhold payment while it examines the situation.

Under the Oil Pollution Act of 1990 (OPA), Responsible Parties (RPs), as defined by the OPA, may have joint and several liability for costs and damages under the statute. The United States Coast Guard (USCG) has sent invoices to parties it has identified as RPs, which consist of the parties to the Operating Agreement, including BP and MOEX Offshore, and other parties that had a role in the Deepwater Horizon incident and to parties that have been identified as guarantors of RPs.

According to MOEX Offshore, these invoices from the USCG, which are a part of the claims under the OPA, total approximately US\$633 million as of February 14, 2011. MOEX Offshore believes that BP has paid all of the USCG invoices. Mitsui expects that BP will continue to pay the USCG invoices in full because BP p.l.c. has stated that it will pay all the reasonable clean-up costs for the incident and has established a fund that totals \$20 billion, among other things, to compensate those injured as a result of the incident. As described above, BP has stated that it considers the amounts invoiced to MOEX Offshore for reimbursement as MOEX Offshore's 10% proportionate share, purportedly under the terms of the Operating Agreement, of the costs that BP has incurred in responding to the Deepwater Horizon incident. The invoiced amount includes the OPA-related liabilities mentioned above. MOEX Offshore, for now, has withheld payment of the invoices and has not posted any related contingent liabilities. Should BP stop payment for the clean-up of the Deepwater Horizon incident and refuse to make payment in full for the other costs associated with the incident, MOEX Offshore may be required to make payment.

MOEX Offshore was named as one of nine defendants in a complaint filed by the United States with the federal district court for the Eastern District of Louisiana on December 15, 2010. That complaint seeks removal costs, economic losses, and environmental damages under the OPA and civil penalties under the Clean Water Act (CWA). The complaint alleges that MOEX Offshore is an owner of an offshore facility within the meaning of the CWA and thus MOEX Offshore is subject to liability for civil penalties under the CWA. Under the CWA, in making its determination as to the amount of civil penalties, the court will consider the seriousness of the violation or violations, the degree of culpability involved and the history of prior violations, among other factors. MOEX Offshore does not know if any such civil penalties will be imposed upon MOEX Offshore and, even if imposed, MOEX Offshore is unable reasonably to estimate the size of any possible loss.

MOEX Offshore may also be subject to Natural Resource Damage (NRD) costs under the OPA, and may also be subject to NRD and other costs and damages under state laws that are similar to the OPA. The United States and the states of Louisiana, Mississippi, Alabama, Florida, and Texas have begun an NRD assessment. The USCG and the Bureau of Ocean Energy Management, Regulation and Enforcement are conducting a joint investigation into the cause of the incident and will be issuing a final investigative report with conclusions and recommendations. In addition, the United States Department of Justice is conducting an investigation to determine if any civil or criminal laws have been broken, and the United States Congress and various United States federal and state agencies, including the United States Chemical Safety and Hazard Investigation Board, are also conducting investigations related to the incident. In light of the ongoing investigations relating to the costs and damages mentioned above, MOEX Offshore does not know if any such costs or damages will be assessed upon MOEX Offshore which is a non-operator and, even if imposed or assessed, MOEX Offshore is unable reasonably to estimate the size of any possible loss.

MOEX Offshore, MOEX USA, MOECO and Mitsui and Co. (U.S.A.), Inc., as well as an unknown entity identified as Mitsui & Co., have been named as defendants in a number of civil lawsuits seeking recovery for damages purportedly caused by the Deepwater Horizon incident. Those lawsuits have been brought under a large number of different legal theories. In May and June 2010, BP and plaintiffs filed motions seeking to have certain of the federal cases transferred to a single judge for pretrial proceedings. Those motions were granted by the Judicial Panel on Multidistrict Litigation on August 10, 2010 and certain of the federal lawsuits were sent for pretrial proceedings to a federal district court judge in the Eastern District of Louisiana. On December 15, 2010, three Master Complaints were filed in the proceedings consolidated in the federal district court for the Eastern District of Louisiana. In two of the three Master Complaints, MOEX Offshore, MOEX USA and MOECO were among the defendants. The first of those Master Complaints seeks damages incurred by various types of businesses, property owners and individuals. The second Master Complaint seeks chemical exposure and property damage related to the post-explosion clean-up efforts. The civil lawsuits are at an early stage and so Mitsui is unable reasonably to estimate what MOEX Offshore's and its affiliates' possible loss, if any, will be.

MOEX Offshore has insurance, but the amount of that insurance is substantially less than the amount of the claims it has received to date. MOEX Offshore may also have coverage as an additional insured under the insurance policies of third parties that are involved in the Deepwater Horizon incident. Mitsui believes that the potential coverage under those policies also is substantially less than the amount of the claims MOEX Offshore has received to date.

Mitsui recognized an impairment loss for the amounts invested to acquire the interest of this lease that were booked as Property and Equipment (Mineral rights) in Impairment loss of long-lived assets, and also recognized certain expenses relating to the well in Other expense-net for the nine-month period ended December 31, 2010. Other than that, Mitsui is unable, at this time, to determine the impact, if any, the incident will have on its financial position, consolidated operating results or consolidated cash flows.

This report contains forward-looking statements about Mitsui and its consolidated subsidiaries within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on Mitsui's current assumptions, expectations and beliefs in light of the information currently available to it and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the outcome of other events in the Gulf of Mexico relating to the Deepwater Horizon incident. Such risks, uncertainties and other factors may cause Mitsui's actual results, financial position or cash flows to be materially different from any future results, financial position or cash flows expressed or implied by these forward-looking statements. These risks, uncertainties and other factors involve the nature and scope of Mitsui's liability with respect to the events in the Gulf of Mexico relating to the incident, including, but not limited to:

- (a) It is not clear whether MOEX Offshore will have any liability for expenses concerning the Deepwater Horizon incident that have been and will be paid by BP and if MOEX Offshore does, it is not clear what the amount of the liability is likely to be.
- (b) Should BP stop payment for the clean-up of the Deepwater Horizon incident and refuses to make payment in full for the other costs associated with the incident, MOEX Offshore may be required to make payment. Mitsui believes that BP will continue to pay clean-up costs, but does not know to what extent BP will pay other costs associated with the incident. MOEX Offshore does not know to what extent it will have to pay costs under the OPA if BP does not pay.
- (c) Whether additional or amended legal proceedings will be brought against MOEX Offshore and its affiliates by governmental entities and the outcome of such proceedings if they are brought cannot be predicted. It is possible that MOEX Offshore and its affiliates could be assessed substantial civil or criminal penalties and fines and that injunctive relief could be granted under various laws. To date, no such penalty, fine or injunctive order has been imposed on MOEX Offshore.
- (d) Under the OPA, each RP is presumed to be jointly and severally liable for the NRD costs. The clean-up is not complete and these costs have not been assessed. It is unclear to MOEX Offshore at this time how these costs will be divided among those identified as RPs and MOEX Offshore can not reasonably estimate at this time the amount of these costs. In addition, the complaint of the United States alleges that MOEX Offshore is an owner of an offshore facility within the meaning of the CWA and thus MOEX Offshore is subject to liability for civil penalties under the CWA. Under the CWA, in making its determination as to the amount of civil penalties, the court will consider the seriousness of the violation or violations, the degree of culpability involved and the history of prior violations, among other factors. MOEX Offshore does not know if any such civil penalties will be imposed upon MOEX Offshore and, even if imposed, MOEX Offshore is unable reasonably to estimate the size of any possible loss.



- (e) Many state and federal lawsuits have been filed by, among others, rig workers and their family members, resort owners, restaurant owners, real estate owners, real estate agents, seafood suppliers, fisheries, fishermen, charter boat owners, boat sales/service shop owners, marina owners, shareholders of businesses involved in the Deepwater Horizon incident, states, employees of businesses affected by the Deepwater Horizon incident, and pension funds. These lawsuits are based on a variety of different legal theories. These lawsuits are at a very early stage and so Mitsui is unable reasonably to estimate at this time what liability if any MOEX Offshore and its affiliates may have.
  
- (f) Mitsui is unable reasonably to estimate at this time the amount of insurance coverage that will be available to MOEX Offshore. Mitsui is unable reasonably to estimate at this time whether and to what extent Mitsui and its consolidated subsidiaries will be able to obtain contribution from others for any liability that is imposed on them. In addition, Mitsui is unable reasonably to estimate at this time whether and to what extent Mitsui and its consolidated subsidiaries will be required to pay contribution to others for their liability under the OPA or other laws.

These risks, uncertainties and other factors also involve the other factors contained in Mitsui's most recent Annual Report on Form 20-F and other Reports on Form 6-K filed with the SEC or in its other public filings or press releases, and Mitsui undertakes no obligation to publicly update or revise any forward-looking statements. As a result, given these factors and the magnitude of the incident and the ongoing clean-up efforts, any such liability could have a material adverse effect on Mitsui's consolidated financial position, consolidated operating results or consolidated cash flows.

## Financial Highlights

Mitsui &amp; Co., Ltd. and subsidiaries

As of or for the Periods Ended December 31, 2010 and 2009 and as of or for the Year Ended March 31, 2010

	In Billions of Yen, Except Amounts per Share and Other				
	Nine-month period ended December 31, 2010	Nine-month period ended December 31, 2009	Three-month period ended December 31, 2010	Three-month period ended December 31, 2009	As of or for the Year ended March 31, 2010
<b>Consolidated Income Statement Data:</b>					
Revenues	¥ 3,374	¥ 2,982	¥ 1,169	¥ 981	¥ 4,096
Income from Continuing Operations before Income Taxes and Equity in Earnings	¥ 276	¥ 75	¥ 87	¥ 18	¥ 126
Net Income Attributable to Mitsui & Co., Ltd	¥ 276	¥ 93	¥ 93	¥ 20	¥ 150
Total Trading Transactions	¥ 7,369	¥ 7,006	¥ 2,502	¥ 2,418	¥ 9,358
<b>Consolidated Balance Sheet Data:</b>					
Total Mitsui & Co., Ltd. Shareholders' Equity	¥	¥	¥ 2,284	¥ 2,114	¥ 2,230
Total Equity	¥	¥	¥ 2,502	¥ 2,350	¥ 2,430
Total Assets	¥	¥	¥ 8,586	¥ 8,407	¥ 8,369
<b>Amounts per Share (Yen):</b>					
Net Income Attributable to Mitsui & Co., Ltd.:					
Basic	¥ 151.16	¥ 51.04	¥ 50.74	¥ 11.06	¥ 82.12
Diluted	¥ 151.16	¥ 51.03	¥ 50.74	¥ 11.06	¥ 82.11
Total Mitsui & Co., Ltd. Shareholders' Equity	¥	¥	¥ 1,251.98	¥ 1,158.27	¥ 1,222.11
<b>Consolidated Cash Flow Statement Data:</b>					
Net Cash Provided by Operating Activities	¥ 370	¥ 439	¥	¥	¥ 632
Net Cash Used in Investing Activities	¥ (402)	¥ (125)	¥	¥	¥ (180)
Net Cash Provided by (Used in) Financing Activities	¥ 61	¥ (132)	¥	¥	¥ (214)
Cash and Cash Equivalents	¥	¥	¥ 1,390	¥ 1,343	¥ 1,401
<b>Other:</b>					
Total Mitsui & Co., Ltd. Shareholders' Equity Ratio			26.61%	25.14%	26.65%
Number of Employees			41,462	41,464	41,454
The Average Number of Temporary Employees			19,416	18,962	19,507

- \*1. The consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America.
- \*2. The companies have included the information concerning Total Trading Transactions because it is used by similar Japanese trading companies as an industry benchmark, and the companies believe it is a useful supplement to results of operations data as a measure of the companies' performance compared to other similar Japanese trading companies.

During the year ended March 31, 2010, the companies changed the reporting of total trading transactions for transactions where the companies serve as an agent, and not as a contradicting party, from gross amounts to net amounts. Accordingly, Total Trading Transactions for the nine-month period ended December 31, 2009 and the three-month period ended December 31, 2009 have been reclassified to conform to the current year's presentation.

- \*3. Consumption tax is not included in Revenues and Total Trading Transactions.
- \*4. The term Total Mitsui & Co., Ltd. Shareholders' Equity noted above under Total Mitsui & Co., Ltd. Shareholders' Equity, Amounts per Share of Total Mitsui & Co., Ltd. Shareholders' Equity and Total Mitsui & Co., Ltd. Shareholders' Equity Ratio refers to the Total Mitsui & Co., Ltd. Shareholders' Equity as presented in the Consolidated Balance Sheets.
- \*5. In accordance with Accounting Standards Codification (ASC) 205-20, the figures for the nine-month period ended December 31, 2009 and the three-month period ended December 31, 2009 relating to discontinued operations have been reclassified.

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Consolidated Balance Sheets

Mitsui & Co., Ltd. and subsidiaries

December 31, 2010 and March 31, 2010

	Millions of Yen	
	December 31, 2010	March 31, 2010
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (Notes 1 and 4)	¥ 1,389,794	¥ 1,401,399
Time deposits	8,846	14,563
Marketable securities (Notes 1, 4 and 16)	4,384	4,361
Trade receivables (Notes 5 and 6):		
Notes and loans, less unearned interest	309,889	293,034
Accounts	1,495,955	1,382,259
Associated companies	112,051	162,166
Allowance for doubtful receivables (Note 1)	(17,379)	(18,423)
Inventories (Notes 1, 6, 13 and 14)	516,201	504,847
Advance payments to suppliers	116,577	96,482
Deferred tax assets - current (Note 1)	39,942	39,809
Derivative assets (Notes 1, 14 and 16)	99,950	114,463
Assets held for sale (Note 3)	194,170	
Other current assets	228,373	266,130
<b>Total current assets</b>	<b>4,498,753</b>	<b>4,261,090</b>
<b>Investments and Non-current Receivables (Notes 1 and 6):</b>		
Investments in and advances to associated companies (Notes 4, 5, 10 and 16)	1,468,908	1,403,056
Other investments (Notes 4 and 16)	867,744	965,947
Non-current receivables, less unearned interest (Notes 5, 14 and 16)	444,498	453,299
Allowance for doubtful receivables (Note 5)	(44,077)	(48,472)
Property leased to others - at cost, less accumulated depreciation	214,781	224,000
<b>Total investments and non-current receivables</b>	<b>2,951,854</b>	<b>2,997,830</b>
<b>Property and Equipment at Cost (Notes 1, 6 and 16):</b>		
Land, land improvements and timberlands	151,294	158,528
Buildings, including leasehold improvements	374,841	381,029
Equipment and fixtures	1,029,722	979,957
Mineral rights (Note 17)	148,649	132,510
Vessels	34,686	29,709
Projects in progress (Note 17)	150,351	170,218
<b>Total</b>	<b>1,889,543</b>	<b>1,851,951</b>
Accumulated depreciation	(886,002)	(873,391)
<b>Net property and equipment</b>	<b>1,003,541</b>	<b>978,560</b>
<b>Intangible Assets, less Accumulated Amortization (Notes 1 and 16)</b>	<b>85,131</b>	<b>84,741</b>
<b>Deferred Tax Assets - Non-current (Note 1)</b>	<b>16,826</b>	<b>13,376</b>
<b>Other Assets</b>	<b>29,758</b>	<b>33,387</b>

**Total**

**¥ 8,585,863**    ¥ 8,368,984

See notes to consolidated financial statements.

	Millions of Yen	
	December 31, 2010	March 31, 2010
<b>LIABILITIES AND SHAREHOLDER S EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term debt (Note 6)	¥ 277,210	¥ 241,380
Current maturities of long-term debt (Notes 6 and 14)	235,230	320,480
Trade payables:		
Notes and acceptances	46,852	36,831
Accounts	1,356,180	1,307,980
Associated companies	73,072	63,760
Accrued expenses:		
Income taxes (Note 1)	77,723	37,604
Interest	15,860	19,177
Other	59,112	71,582
Advances from customers	139,577	110,712
Derivative liabilities (Notes 1, 14 and 16)	79,946	83,972
Liabilities held for sale (Note 3)	146,790	