

Inside the Little-Known Japan Firm Helping the FBI Crack iPhones

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March 31, 2016 — 2:34 AM PDT

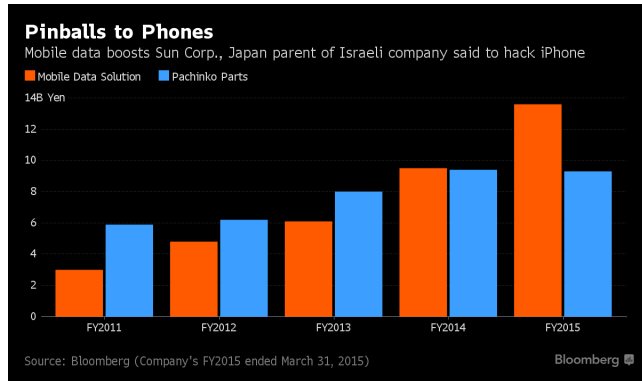
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- ▶ Sun Corp. bought Israeli forensics company Cellebrite in 2007
 - ▶ Shares are up more than 40 percent since U.S. hacked phone

The little-known Japanese company at the center of a legal tussle between Apple Inc. and the U.S. government over the hacking of an iPhone built its business on pinball game machines and stumbled into the mobile phone security business almost by accident.

[Cellebrite Mobile Synchronization Ltd.](#) worked with the FBI to [crack](#) an iPhone connected in a terrorist attack, according to people familiar with the matter, who asked not to be identified as the matter is private. Neither Cellebrite nor the FBI have confirmed the link, and a spokesman from parent Sun Corp. on Thursday said the company isn't able to comment on specific criminal cases.

Sun, based in a small town of 100,000 southwest of Tokyo, has been building pinball-like game machines found in Japan's pachinko parlors since the 1970s but has often displayed bigger tech ambitions. The Konan, Aichi-based company developed personal computers in the late 1970s, computer games and more recently, iPhone [mahjong apps](#). In 2007, as sales slumped, Sun [acquired](#) Petah Tikva, Israel-based Cellebrite.

Cellebrite hadn't ventured into forensics at the time, and the purchase was mainly to add phone-to-phone data transfer to Sun's fledgling telecommunications business, said the Japanese company's spokesman Hidefumi Sugaya. When Cellebrite later took on investigative agencies such as the Federal Bureau of Investigation as clients, the business took off, he said in a telephone interview. Today, the bulk of Sun's mobile data solutions business comes from Cellebrite, said Sugaya.

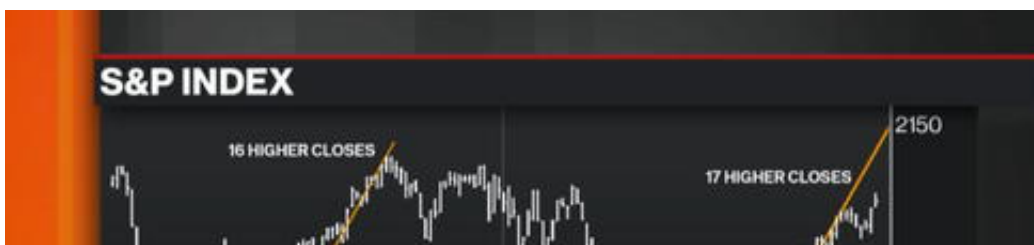


Sun's shares have surged since March 21, when U.S. authorities said a third party demonstrated a way to access data on the iPhone used in the San Bernardino, California, mass shooting last year. The shares rose 7 percent to 1,091 yen by the close of trading in Tokyo on Thursday.

"If it's Cellebrite it's probably good publicity for them," said Bryce Boland, chief technology officer for Asia Pacific at security company FireEye Inc. "There are other companies as well that provide tools in this space, and Cellebrite are one of the best companies in this space."

Revenue from Cellebrite's mobile data solutions division overtook pachinko parts in Sun's fiscal year ended March 2014 and contributed 13.6 billion yen (\$121 million) or 50 percent of sales in the last fiscal year, according to data compiled by Bloomberg. It's now the largest business segment for Sun.

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