

**[NEWS RELEASE]**

## Lawsuit Filed against Cloudflare, Inc.

Tokyo, February, 1<sup>st</sup>,2022 - KADOKAWA CORPORATION (Headquarters: Chiyoda-ku, Tokyo; President and Member of the Board : Takeshi Natsuno), together with Kodansha Co., Ltd., Shueisha Inc., and Shogakukan Inc., has filed a lawsuit with the Tokyo District Court against Cloudflare, Inc. (Headquarter: San Francisco, California, U.S.A.), an international content delivery network (CDN) operator that currently provides services to malicious piracy sites with a large number of accesses, for an injunction against the infringement of publishing rights by public transmission and reproduction of piracy content, and for damages based on infringement of publishing rights (damages of 460 million yen, which is part of the total damage of approximately 5.6 billion yen for total of the four works: one work by each company).

Cloudflare provides a service that temporarily reproduces (caches) the contents of piracy sites on cache servers located around the world to reduce the load on the origin server, and delivers the data from the cache server closest to the user to facilitate mass access to piracy sites. Since 2018, the four companies, including our company, have been requesting Cloudflare to stop public transmission of infringing contents illegally stored by multiple malicious piracy sites, to delete the cache, and to suspend contract renewal. Although Cloudflare responded that it had taken the necessary measures, it has not explained the specific measures it has taken to date. As the malicious piracy sites in question continue to operate at the same communication speed as before, it is difficult to consider that the company has taken effective measures. Technical verification by experts has shown that there is a high probability that the malicious pirate sites continue to use the company's CDN to reproduce and transmit contents. (Note)

Through this lawsuit, as a company involved in publishing, we would like to appeal that actual situation of infringement of copyright holders committed by the growing number of piracy sites, and that how Cloudflare's act of providing services despite being aware of the illegality of such sites is undermining the economic benefits that creators of copyrighted works should rightfully receive, reducing the perpetuity of creative activities and reducing enjoyment by users. We are committed to contributing to the further development of creative activities through lawful and proper economic practices. We would like to ask for the understanding and cooperation of all users and related parties.

(Note) According to the Japanese material from the "[Study Group on Measures to Deter Access to Piracy Sites on the Internet \(6th Session\)](#)" (the Ministry of Internal Affairs and Communications), there are several malicious sites among the piracy sites that receive over 100 million accesses per month and generate significant advertising revenue. The ABJ, a general incorporated association consisting of copyright holders, publishers, e-book distributors, and Internet-related businesses, estimated the retail value of manga illegally read on the top ten pirate sites with the most accesses, and the amount exceeded 1 trillion yen in 2021 alone. Of the top 10 sites, more than half have been using Cloudflare's CDN throughout much of the period, enabling accesses in excess of 100 million per month.