Six years ago, Edmund de Waal, whose beautiful porcelain pots, glazed in greys, creams and pale greens, have transformed the world of British ceramics, gave a paper at Harvard on orientalism and Japanese pottery. Afterwards, at dinner, he found himself recounting an extraordinary story he had told only to his wife and close friends, about a collection of miniature ivory and wood sculptures he had inherited from his great uncle Iggie.

"So I keep on talking," he remembers, "and I realise that I've broken some kind of pact with myself – to mention it at all in public seemed to be crossing a boundary. And then when I got the reaction I got, I knew I faced a difficult question – in fact the question was put to me very directly by the art historians over dinner: 'What the fuck are you going to do with this story? Why are you telling it to us? Why haven't you written it down?'"

So, during the next five years, when he was also preparing the two most important installations of his career, he did write it down, though the project turned out to be "much more complicated both emotionally and in terms of research than I could ever have dreamt". It was worth it: The Hare with Amber Eyes became the most praised British book of last year, a prize-winning sensation and a bestseller: it has sold 70,000 hardback copies in Britain alone, and the paperback, just out, is
sure to do even better. All this came as a surprise to those in the industry who felt there would be little appetite for a Jewish family memoir centred on 264 Japanese carvings of domestic scenes and animals – called netsuke, and originally made as toggles for kimonos.

The tributes the book has received are quite remarkable. In the Sunday Times, Frances Wilson wrote: "In the present literary climate of dumbed-down, throwaway narratives, to be handed a story as durable and exquisitely crafted as this is a rare pleasure . . . a masterpiece." The critic David Sexton noted how De Waal "manages the move from the tiny netsuke to the great events of history, including the Holocaust, with extraordinary deftness and grace". For Vogue, it was simply the "perfect book".

De Waal and his netsuke have been much discussed over the past seven or eight months, but even now he is "completely taken aback" by the success of a book which is an "odd matrix of personal obsessions". (We talk in the upstairs room of his south London studio – downstairs are three kilns, his wheel and a bag of clay, ready for him to get to work in the afternoon.) Yet that it is so personal and springs from these obsessions (Japan, objects, memory), drawing on his expertise as a potter, is surely a clue to its enormous appeal. How things are made and handled, he writes, and what happens to them "has been central to my life for more than 30 years".

De Waal's voice in the book is, like his pottery, pared down but characterful – modest and elegant. (He once said: "My fantasy is that people will look at my pots and think: rigorous, yet quite passionate and humane." ) It was hard work "to find a voice to inhabit the experience of finding things out and really changing your mind", but this contributes to the book's sense of intimacy – the reader is carried along by De Waal's responses to a series of revelations. The prose is marked by such phrases as "I am compelled to keep looking", "Reading these letters, I feel idiotically angry", "These stories unravel me".

De Waal describes The Hare With Amber Eyes as being "about loss and diaspora and about the survival of objects". He says it began with the netsuke – "small, tough explosions of exactitude" – but "eventually I realised it is actually about identity: what do you know about who you are? And what kind of stories do families tell about themselves?"

The reader soon learns that De Waal's family is a remarkable one. The netsuke were bought in the 1870s by his relation, Charles Ephrussi, a member of a fabulously wealthy banking dynasty, who was an art critic and collector in Paris. He turns out to have been the main inspiration for Proust's Swann and a patron of Renoir and Degas, who visited his rooms, shared his fashionable obsession with Japonisme and would have picked up and admired the carvings.

Their second home in De Waal's story is the dressing-room of his great-grandmother Emmy in the vast Palais Ephrussi on the Ringstrasse in Vienna, where her children would take the "curious, funny" sculptures from their great glass case and play with them. They were now less art objects than toys, "small, quick, ivory stories". The children grew up and dispersed, and were not in Vienna in 1938 to see the palace ransacked by the Gestapo, the furniture broken and the pictures taken away. The family fled, but miraculously the collection of netsuke survived intact. After the war, De Waal's grandmother Elisabeth travelled to the city and discovered how this had been possible – the tale of "Anna's pocket", which is at the heart of the book, but serves as a reminder, too, of what can't be retrieved. The netsuke soon made the journey to the apartment of Iggie, Emmy's son, in Tokyo, where De Waal first saw them, lined up on the glass shelves of a long vitrine.
The riches and tragedies of the Ephrussis were remote from De Waal's own childhood, and were never talked about at home (part of his job in writing the book was to "track the silences"). He was born in 1964, the son of "leftwing, Guardian-reading Anglican parents". His father is a former chancellor of Lincoln cathedral and dean of Canterbury; his mother is a historian. He grew up in "the most beautiful places, and my childhood was full of privileged access to spaces". But it was a noisy household (De Waal has three brothers), with "lots of people coming through and lots of argument – about CND and anti-apartheid and that kind of thing".

Aged five, De Waal asked his father to take him to a ceramics evening class – "I can't really work out why" – where he made his first pot. He was told to colour and decorate it, but insisted on glazing it in opalescent white: "I sort of rather stuck there I'm afraid." Then at Canterbury school, aged 12 or so, he started working with "a very good potter, Geoffrey Whiting, who was literate, wry, reserved and serious, and I warmed to that". Whiting was a disciple of the most famous English potter, Bernard Leach, who worked in the arts and crafts tradition, making functional – never figurative or merely decorative – vessels from earthenware. Leach saw himself as the interpreter of Japanese pottery for the west, Japan being regarded as the only place with an authentic ceramics tradition. As a result, De Waal spent his teenage years throwing hundreds of casseroles and soup bowls and coffee mugs, "glazed in olive greens and rusty-iron blacks". He learned through repetition (he likens it to the hours of practice put in by a young musician), mastering technique, becoming attuned to slight differences, and making pots "with a measure of propriety about them". "The first 30,000 pots are the worst," he was once told.

Aged 17 he took it one step further. Having got into Cambridge, he deferred entry to take up a two-year apprenticeship with Whiting. "Was I a normal teenager? No, not really. I had a strange, attenuated life – living in the Deanery in Canterbury, which is a vast medieval and Elizabethan house, with 15 bedrooms and a library and 50 portraits of deans on the wall; and there was a curfew bell at 9 o'clock, when the cathedral gates were locked, and you had to be let out by a porter. Early every morning, I'd let myself out the back-garden gate with a key, and walk to the studio of an elderly, austere potter. And I took on the whole thing, sweeping the floor and making tea."

De Waal spent the summer in the middle of the apprenticeship in Japan, sitting at the feet of "very grumpy masters" in pottery villages across the country. He had swallowed whole Leach's teachings about Japanese traditional culture and spirituality, and writes in The Hare with Amber Eyes that "each sound of a paper screen closing or of water across stones in the garden of a tea-house was an epiphany". "I was unbelievably po-faced," he smiles. "I completely believed – like a ceramics scientologist."

De Waal always knew he wanted to become a potter, but read English at Cambridge, where he was "incredibly lucky to be taught by really wonderful people – Jeremy Prynne, Geoffrey Hill, Jonathan Bate, Gillian Beer and others . . . I wrote about Wallace Stevens and David Jones and Pound." His "saturation" in literature, particularly poetry, has continued to inform his ceramics. ("Lots of reading goes into my pots. My own way of making things comes out of a great deal of thinking about literature.") At Cambridge he also read Edward Said's Orientalism, and began to question his own fixation with Japan, in particular his Leach-like projection of an orient that didn't exist.

But, he has said, it took him "years to find that the pots I wanted to make and the pots I was supposed to make were completely different". So when he left Cambridge in 1986, he dutifully took himself off to the Welsh borders, built a kiln and started a studio, making functional
stoneware pots that no one wanted, "not least because they were pretty hideous and heavy. They had a real Stakhanovite feel to them". After a move to inner-city Sheffield, he still couldn't see a way forward, so he decided to work with porcelain, "which was the great taboo material; it doesn't do any of the 'proper' work of a pot. In using it I was trying to find a way out."

Having spent seven years "working by myself in silent, ordered studios", in the early 90s he had another opportunity to go to Japan, and it was in Tokyo that his real breakthrough came. For some of the time he was in the archives of the Japanese Folk Craft Museum, working on a book debunking Leach, which was "the real intellectual unlocking of a problem". The rest of his days were spent "in a metropolitan studio full of very avant-garde potters" making a new style of pot. And there were also his "magical" visits to Iggie's apartment.

On returning to Britain, De Waal began living in London and making his now distinctive ceramics – celadon cylinders, squeezed or dented, slightly crooked and bashed; jars and dishes with slight gradations in tone and colour and texture. "There's a lot of what I do around now," he says, "but it was quite new at the time."

They were instantly loved and became very fashionable; it didn't hurt that their appearance coincided with the 90s vogue for minimalism. Donna Karan liked them so much she bought all 70 pots on show in a shop in SW3. The press picked up on other celebrity champions – Issey Miyake and Madonna and Vikram Seth. "Those were my glory years," he jokes now. "It all happened overnight, very strange. Within six months, having knocked on every single door and not been given shows, I was offered lots." His first solo exhibition was in 1995.

Then came the publication of his "very cross" study of Leach – the art writer Tanya Harrod called it a "patricidal book" – and he received an "avalanche of hate mail" from other potters, "unbelievable personal invective, accusations of betrayal, comments on the arrogance of the young". According to Fiona MacCarthy, the furious response "was all the more intense" because De Waal was now part of "fashionable metropolitan art culture". Yet he had supporters too, and, he says, "this was the beginning of trying to write about why objects matter".

De Waal, moving further away from Leach, was increasingly interested in pottery in the context of art and architecture – in particular the idea of groups or "cargoes" of pots – and the huge demand for what he produced gave him leverage to embark on projects in buildings and museums. When he talks about the thinking behind his groups of pots, what he calls the "powerful conversation" between his ceramics and *The Hare with Amber Eyes* can easily be heard. "One thing is exploring repetition. This isn't just to do with visual rhythm being revealed. It's also to do with repetition as longing, with not being able to find closure." And both his book and his installations are fascinated with what's hidden or discovered only gradually. In 2002-03 he exhibited a work entitled *The Porcelain Room*. "The room had an attic space, and when I showed it at the Geffrye Museum I remember people being very upset because the attic was shadowy: 'It isn't lit properly,' they said; 'we can't see the pots up there.' And I remember thinking 'yes, that's it'; attics are liminal spaces."

A similar idea is at work in *Signs and Wonders*, the ambitious work commissioned for the reopening of the V&A's ceramics galleries in 2007. On a red lacquer shelf 60ft above the Brompton Road entrance to the museum are grouped 450 of De Waal's dishes, cylinders and other vessels. From down in the foyer, they are only partially visible, offering an enticement to visit the galleries, but also exploring, among other things, the nature of hiddenness. He says the ceramics he is making now are inevitably influenced by writing the book – memory and secrets and
occlusion. In a new installation, gatherings of pots will be displayed in top-lit vitrines, behind opaque glass.

How was it possible to complete all these ceramics projects and to write the book at the same time? "One of the things I did in order to still be married and see my children was to work at night. So I worked in the studio during the day, and started to write at 10 until, say, 2. But I also wrote through until morning: when I was writing the toughest bits of the book the only time I could hear what I wanted to say was the very middle of the night."

He found particularly difficult those moments in the story when he was "confronted by what assimilation meant . . . when these people whom I had grown to love had their carapace of assimilation shot through . . . this happened when I was reading about Charles Ephrussi during the Dreyfus affair in the Parisian press, but most of all in relation to Vienna in 1938." He felt keenly "the responsibility of not screwing up writing about something so important."

The 264 netsuke that survived the devastation of the Ephrussi family are now displayed in an unlocked cabinet, next to the piano in De Waal's Edwardian house. At the end of our conversation he shows me four he's brought with him to the studio, including his favourite, an ivory monk asleep over his alms bowl, "one continuous line of back". For the umpteenth time, he places it in his palm and turns it with his fingers. He says, carefully, that the follow-up to *The Hare with Amber Eyes* will also concern itself with "memory and place", and that it'll take five years. In the meantime, he feels completely "liberated": he's met the challenge laid down by those Harvard art historians six years ago and told, to a resounding fanfare, these unusual objects' wondrous story.