

Money in Modern Japan

Japan is one of the oldest states in the world: in over 2000 years the island nation has slowly and continuously developed culturally, socially, politically and economically into the country that it is today. It is characteristic that Japan never fell under the domination of a foreign power during this time – not until after World War II, however, when it was occupied by the Americans for some years (1945-1952).

That does not mean, of course, that no external influences were adopted. On the contrary: until the end of the Japanese Middle Ages (about 1200-1600), Japan was completely geared towards its great neighbor China. From there it adopted cultural, political and economic achievements, among them also money. Well into the 16th century, the Japanese cast coins following Chinese models. In addition, masses of cash coins (ch'ien) imported from China were in circulation.

With the beginning of modern times around 1600, a radical turn around took place. Under the government of the Tokugawa shoguns (the Edo period, 1603-1867) the island nation cut itself off almost completely from the outside world. In this time an independent Japanese culture evolved – and a coinage system of its own, whose principal feature was the simultaneous circulation of a gold and a silver currency.

Japanese Empire, Edo Period, Shogun Tokugawa Ietsugu (1712-1716), Kobanin 1714, Edo



Denomination:	Kobanin
Mint Authority:	Shogun Tokugawa Ietsugu
Mint:	Edo (Tokyo)
Year of Issue:	1714
Weight (g):	17.8
Diameter (mm):	69.5
Material:	Gold
Owner:	Deutsche Bundesbank

Japan was united towards the end of the 16th century after long years of civil war. It was the beginning of the Edo period (1603-1867), named after the capital Edo, present-day Tokyo.

The standard weight of the Edo period was the ryo, which corresponded to about 15 grams of gold. Gold coins of the weight of one ryo were called koban. Their overall weight was about 18 grams, of which about 15 grams were pure gold. The koban was a coin in general circulation. It was stamped with the denomination as well as the signature of the mint master and the kiri-mon, the imperial coat of arms. All kobans additionally show small counterstamps, because private moneychangers or dealers repeatedly checked them for weight and precious metal content. If a coin came into the hands of a person who had already tested and marked it with his sign, further examination was not necessary.

Japanese Empire, Edo Period, Shogun Tokugawa Yoshimune (1716-1745), Obankin 1725, Edo



Denomination:	Obankin
Mint Authority:	Shogun Tokugawa Yoshimune
Mint:	Edo (Tokyo)
Year of Issue:	1725
Weight (g):	165.51
Diameter (mm):	151.5
Material:	Gold
Owner:	Deutsche Bundesbank

This oban was a specimen of an issue of only 8,515 pieces struck in 1725. Its value is written in ink on the obverse. Below, the mint master responsible for gold coinage is designated in two ways: once the name is written out, and once it is presented in kao form. Kao, a special calligraphic personal signature, was reserved for high-ranking individuals and had to be executed personally.

Japanese Empire, Edo Period, Shogun Tokugawa lenari (1787-1837), Kobankin, 1819-1828, Edo



Denomination:	Kobankin
Mint Authority:	Shogun Tokugawa lenari
Mint:	Edo (Tokyo)
Year of Issue:	1819
Weight (g):	13.12
Diameter (mm):	62.0
Material:	Gold
Owner:	Sunflower Foundation

The first kobans were issued in the year of 1600 by the founder of the Tokugawa dynasty, the first shogun (regent) of the Edo period (1603-1867). In 1860, the 14th shogun of the same family put the last of these large gold coins into circulation.

During the 260 years of their circulation, the kobans and obans (multiples of obans) suffered from a severe loss of weight and value. The first kobans had weighted about 18 grams (0.63 ounces) and had had a gold content of 84 percent. This koban was issued in the 1820s; it weighs only about 13 grams (0.46 ounces) and has a fineness of 56 percent gold.

Japanese Empire, Meiji Period, Mutsuhito (1867-1912), Nibukin (2 Bu), 1868-1869, Osaka



Denomination:	Nibukin (2 Bu)
Mint Authority:	Emperor Mutsuhito of Japan
Mint:	Osaka
Year of Issue:	1868
Weight (g):	3.04
Diameter (mm):	2.299999952316284
Material:	Gold
Owner:	Sunflower Foundation

The obverse of this Japanese nibukin shows two flowers of the Imperial Paulownia (Latin: *Paulownia imperialis*). In the middle, two characters indicate the value ni (= two) bu. The upper half of the reverse – read from top to bottom – depicts the Chinese characters "Mitsu Tsugu," which was the name of the head official of the gold mint. The big mark in the lower half shows the signature of this gentleman.

The traditional gold and silver coins of Japan followed the old currency unit ryo. A ryo was divided into bu and shu: 1 ryo = 4 bu = 16 shu. Silver coins had face values of one bu (ichibugin) and one shu (isshugin). Gold coins held 2 bu (ni bu).

Japanese Empire, Meiji Period, Mutsuhito (1867-1912), Yen 1870



Denomination:	1 Yen
Mint Authority:	Emperor Mutsuhito of Japan
Mint:	Undefined
Year of Issue:	1870
Weight (g):	26.95
Diameter (mm):	38.5
Material:	Silver
Owner:	Sunflower Foundation

Emperor Mutsuhito took the European and American currency systems as models for his currency reform. He introduced modern coins and the decimal currency to Japan. The yen, divided into 100 sen = 1,000 rin, became the standard coin. Initially, the silver standard was selected because many Asian countries applied it. The first silver yens were issued 1870 – this coin is one of them.

The gold standard was adopted under the new currency act of 1871, in order to smoothen the conversion from the old ryo currency which had been based on gold. In 1878, the 1-yen silver coin was approved for unlimited circulation and the currency system in Japan shifted to a dual gold and silver standard.

Japanese Empire, Meiji Period, Mutsuhito (1867-1912), Yen 1870



Denomination:	1 Yen
Mint Authority:	Emperor Mutsuhito of Japan
Mint:	Undefined
Year of Issue:	1871
Weight (g):	1.7
Diameter (mm):	13.0
Material:	Gold
Owner:	Sunflower Foundation

In the year 4 of the Meiji period – according to Western calendar: 1871 – the Japanese government instituted a new currency act. From then on, the yen was to be the only means of payment in Japan. The new currency was divided decimally: 1 yen equaled 100 sen or 1,000 rin.

The first golden yens were issued in the same year. They were intended for domestic use, whereas the silver yens were to be used for foreign trade. This golden yen was minted in 1871 and hence belongs to the very first emission.

Japanese Empire, Meiji Period, Mutsuhito (1867-1912), 10 Yen 1897, Osaka



Denomination:	10 Yen
Mint Authority:	Emperor Mutsuhito of Japan
Mint:	Osaka
Year of Issue:	1897
Weight (g):	7.5
Diameter (mm):	21.0
Material:	Gold
Owner:	Sunflower Foundation

In the second half of the 1890s, large quantities of silver entered Japan. They were reparation payments from China after the First Sino-Japanese War (1894-1895). The Japanese finance minister used this Chinese silver to purchase huge quantities of gold. In the year 30 of the Meiji government (1897), he had acquired so much of it that he was able to switch the Japanese currency standard from silver to gold.

New gold coins were minted. The denominations of 1 and 2 yen were not issued in gold, however. They would have been too small for daily use. Instead, only coins of 5, 10 and 20 yen circulated in gold.

Japanese Empire, Showa Period, Hirohito (1926-1989), 100 Yen 1959, Tokyo



Denomination:	100 Yen
Mint Authority:	Emperor Hirohito of Japan
Mint:	Tokyo
Year of Issue:	1959
Weight (g):	4.76
Diameter (mm):	22.0
Material:	Others
Owner:	Sunflower Foundation

Between 1930 and 1936, Japan's economy grew by 50 percent! The emerging economic allowed the economic growth to benefit the military: in 1937 the military budget accounted for three-quarters of all state expenditure.

In 1926 Hirohito had ascended to the Japanese throne. He adopted "Showa" or "enlightened peace" as the official philosophy for his reign. But when General Baron Tanaka Giichi became prime minister in 1927, he declared the resumption of an aggressive policy toward China; this finally ended in 1945 with the unconditional surrender to the Allies. Under Allied occupation (1945-1952), Hirohito retained the throne, but the new constitution of 1946 demoted him to a "symbol of the state and of the unity of the people."

Japanese Empire, Showa Period, Hirohito (1926-1989), 500 Yen 1982, Tokyo



Denomination:	500 Yen
Mint Authority:	Emperor Hirohito of Japan
Mint:	Tokyo
Year of Issue:	1982
Weight (g):	7.19
Diameter (mm):	22.0
Material:	Others
Owner:	Sunflower Foundation

Together with its ally Germany, Japan was among the losers of the Second World War (1939-1945). The economy was ruined, many towns were destroyed, the merchant navy was sunk. Colonies and spheres of influence were lost, and almost all Japanese assets abroad were expropriated. In addition, the population was traumatized by two atomic bombs dropped by the Americans.

At the same time the country was occupied by American troops; Japan came under the regime of an foreign power for the first time in its history (until 1952). The former government and civil service as well as the police were "purged" of more than 200,000 members. The top Japanese leadership, however, remained in office. In the years that followed, the former warmongers further expanded the Japanese model of a "total economy" – a strongly regulated system controlled by cartels. The consequence was an unusual connection between the state and private business – the so-called Japan Incorporated.

Japanese Empire, Heisei Period, Akihito (since 1989), 50 Yen 1997, Tokyo



Denomination:	50 Yen
Mint Authority:	Emperor Akihito of Japan
Mint:	Tokyo
Year of Issue:	1997
Weight (g):	3.98
Diameter (mm):	21.0
Material:	Nickel Alloy
Owner:	Sunflower Foundation

The beginning of the Korean War in 1950 resulted in Japan's economy booming. Japanese companies supplied jeeps, equipment and spare parts for the UN troops. Millions of dollars flowed into the country and were invested in the development of a modern industry. Only a few years later, Japan had caught up with the production decline resulting from the war. In the decades that followed the gross national product grew on average by 10 per cent a year.

Today Japan is increasingly turning its attention to China – no longer, however, to learn from its great neighbor, but for economic cooperation. Japan is China's largest export market and China is Japan's largest source of imports. Soon China will be the country's most important trading partner; in Shanghai there is already a "Little Tokyo." Together the two countries – Japan and China – will head the world's largest economic bloc.

Japanese Empire, Heisei Period, Akihito (since 1989), 500 Yen Year 13 (2001), Tokyo



Denomination:	500 Yen
Mint Authority:	Emperor Akihito of Japan
Mint:	Tokyo
Year of Issue:	2001
Weight (g):	7
Diameter (mm):	27.0
Material:	Nickel Alloy
Owner:	Sunflower Foundation

With the introduction of the yen, the Japanese monetary system was adapted to the decimal system: one yen held 100 sen or 1,000 rin. These two species did not remain in circulation for long, however; their emission was stopped in 1909 and 1954 respectively.

Since then, only yen-coins of different values are in circulation in Japan (1, 5, 10, 50, 100 and 500 yen). The 500 yen-coins are the highest valued current coins in the world. Because of their high face value they have been counterfeited to such an extent that in 2000 a new series of 500 yen-coins was issued with various security features. They bear a Paulownia flower on the obverse, together with the state title and the value. The reverse shows date of issue and the value again, as well as blossoms of bamboo and a mandarin tree. Naturally, in spite of these changes, counterfeiting continues.