

1 **Notochordal differentiation and integrative transcriptomic analysis using human**  
2 **pluripotent stem cells**

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30

31 **Summary**

32 Progressive loss of nucleus pulposus cells (NPCs) is associated with the onset of  
33 intervertebral disc degeneration (IDD). Transplantation of NPCs, derived from human  
34 pluripotent stem cells including hESC/iPSCs, may offer a novel therapy for IDD. To  
35 date, effective *in vitro* differentiations of notochordal and NP cells remained to be  
36 demonstrated. Towards this end, we developed a three-step protocol to directly  
37 differentiate hESC/iPSC towards mesodermal, then notochordal and finally NPCs.  
38 Our results showed that notochordal-like cells (NCCs) were successfully derived from  
39 the first two-steps of the protocol. Furthermore, these cells could be differentiated into  
40 NPCs. These NPCs expressed the tyrosine kinase receptor Tie2 (Tie2),  
41 disialoganglioside 2 (GD2), collagen II and aggrecan. Genome-wide transcriptomic  
42 analyses by sequencing (RNA-seq) revealed the expression of a wide array of known  
43 NP markers, extracellular matrix (ECM) genes, up-stream regulators and pathways.  
44 Cross-comparison of *in vitro* RNA-seq profiles with *in vivo* human NP data confirmed  
45 the *in vitro* NPCs are significantly more similar to *in vivo* NP than hESC/iPSCs.  
46 Transplantation of NPCs effectively attenuated disc injury in a rat model of IDD. We  
47 utilized CRISPR/Cas9 to seamlessly knock in an enhanced green fluorescent protein  
48 (eGFP) to the loci of the Noto gene in ESCs for NCC generation. Our study achieved  
49 effective notochordal differentiation and provided transcriptomic insights into the use  
50 of human ESC/iPSCs.

51 **Keyword:** human induced pluripotent stem cells, intervertebral disc degeneration,  
52 nucleus pulposus, notochord

## 53 **Introduction**

54 Intervertebral disc degeneration (IDD) is a major cause of low back pain, affecting the  
55 quality of life of over 60-80% of the global population (Kennon et al., 2018).  
56 Traditional treatments such as physiotherapy and anti-phlogistic drugs that aim to  
57 provide symptomatic relief are ineffective since they cannot recover the disc and may  
58 even exacerbate degeneration (Hanley et al., 2010; Mirza and Deyo, 2007). Surgical  
59 intervention is an option for severe IDD and may involve removal of the defective  
60 disc, fusion of the vertebral segments or implantation of an artificial disc made from  
61 synthetic polymers or metallic compounds. There remains nonetheless the long term  
62 problem of wear and failure of artificial discs after transplantation (Hanley et al.,  
63 2010). Biological treatments would provide an ideal solution but require far greater  
64 knowledge of the process of disc degeneration. There is a need to define a more  
65 effective therapeutic strategy of which rapid developments in regenerative medicine  
66 offer strong potential.

67 The intervertebral disc (IVD) comprises three interdependent tissues: the nucleus  
68 pulposus (NP), a central hydrated gelatinous core sandwiched between the  
69 cartilaginous end-plates (EP) of the adjacent vertebral bodies and surrounded by a  
70 tough ring-like fibrous laminar structure, and the annulus fibrosus (AF) (Humzah and  
71 Soames, 1988). Together they synthesize a great deal of extracellular matrices (ECMs)  
72 such as collagens, proteoglycans, and fibronectin/laminins, that maintain the structural  
73 integrity of the disc and its functional homeostasis (Roberts et al., 2006). The NP,  
74 which is derived from mid-mesoderm notochordal structures, plays a critical role in

75 maintaining homeostasis of the NP matrix. Accumulating evidence has demonstrated  
76 that loss of nucleus pulposus cells (NPCs) contributes to IDD (Wu et al., 2018; Zhu et  
77 al., 2018). Therefore, transplantation of NPCs may be a novel strategy for IDD  
78 therapy. Matrix or cell transplantation, including NP-like cells, promotes recovery of  
79 IDD (Leung et al., 2014; Perez-Cruet et al., 2018). Nonetheless it is not ethically  
80 feasible to extract NPCs from healthy individuals for IDD therapy. Exploring an  
81 alternative source of NPCs is of great importance.

82 Embryonic notochordal cells (NCCs) have been hypothesized to be the precursors of  
83 adult NP cells (Stemple, 2005). We and others have shown from lineage tracing in  
84 mice that NP cells are of notochordal origin, suggesting that NCCs are the progenitors  
85 of NP cells (McCann and Seguin, 2016). A notochord homeobox gene, *Noto*, has  
86 been found to be specifically expressed in notochordal development. Human  
87 pluripotent stem cells have been shown to be an important cell source for regenerative  
88 medicine. Ideally, we would obtain sufficient NPCs from cell differentiation. In the  
89 current study, we developed a three-step protocol to direct human embryonic stem  
90 cell/induced pluripotent stem cell (ESC/iPSC) differentiation towards mesodermal,  
91 subsequently notochordal lineages and finally NPCs. Due to the lack of surface  
92 markers for NCCs, we utilized CRISPR/Cas9 technology to seamlessly knock in an  
93 enhanced green fluorescent protein (eGFP) to the loci of the *Noto* gene in a human  
94 pluripotent stem cell line. This *Noto*-GFP reporter could effectively monitor temporal  
95 and spatial expression of the *Noto* gene, and provided a straightforward strategy for  
96 human NCC differentiation and purification.

97 **Results**

98 **Early notochord markers are differentiated from ESC/iPSCs**

99 Notochord is derived from chordamesoderm in early embryonic development that is  
100 regulated by the Activin/Nodal signaling pathway (Gritsman et al., 2000; Pauklin and  
101 Vallier, 2015). Mouse notochordal cells can be induced by a low concentration of  
102 Activin A or Nodal (Winzi et al., 2011). The expression of key transcription factors,  
103 such as Forkhead A2 (Foxa2), Noto and Brachyury (T), is essential to determine  
104 notochord differentiation (Risbud et al., 2010; Sivakamasundari and Lufkin, 2012). In  
105 human pluripotent stem cells, early mesodermal differentiation and node formation  
106 requires activation of the Wnt signaling pathway (ten Berge et al., 2008). Blockage of  
107 the BMP4 signaling pathway combined with Wnt signaling contributes to  
108 specification of the notochord (Yasuo and Lemaire, 2001). Furthermore, FGF2 is  
109 necessary to promote a mesodermal lineage and acts as an inducer of Xnot that is an  
110 ortholog of Noto (von Dassow et al., 1993). Retinoic acid (RA) at physiological levels  
111 inhibits notochord differentiation. Therefore, inhibition of RA is a strategy to improve  
112 NCC differentiation (Winzi et al., 2011). Based on this knowledge that key signaling  
113 pathways determine chordamesodermal lineage, we developed a compounds-based  
114 protocol to achieve directed lineage differentiation of human ESC/iPSCs to NP  
115 progenitors. The protocol for NCC differentiation was is in Figure 1A. It has been  
116 reported that withdrawal of pluripotency conditions for 48 hours can make  
117 ESC/iPSCs more sensitive to differentiation signals (Thomson et al., 2011). We used  
118 the N2B27 medium with Active A for 48 hours and then used Activin A, CHIR  
119 (CHIR99021, Wnt3a activator), Noggin (BMP-4 antagonist), AGN193109 (RA  
120 inhibitor) and FGF2 for 2-4 days. We first evaluated mRNA expression in monolayer

121 culture at an early stage of notochord differentiation. The results of RT-PCR showed  
122 that the expression level of Noto was gradually increased and achieved the highest  
123 level at day 5 after differentiation in ESC3, ESC9 and IMR-90-iPSCs. Similarly, the  
124 expression level of mesoderm markers T and Foxa2, which act upstream of Noto, also  
125 exhibited the highest level on day 5 (Figure 1B-i, ii, iii). The expression of Noto, T  
126 and Foxa2 was also examined by immunofluorescence staining on day 5 after  
127 differentiation in ESC3, ESC9 and IMR-90-iPSCs. The results showed that some  
128 Noto positive cells were expressing T and Foxa2 (Figure 1C-i, ii, iii).

### 129 **Differentiation of NP-like cells from ESC/iPSCs**

130 Since NCCs are thought be the progenitors of NP cells and the TGF- $\beta$  signaling  
131 pathway is essential for NP cell functional maintenance (Tang et al., 2018; Zhou et al.,  
132 2015), we continued NPC differentiation using TGF- $\beta$ 3 for an additional 15 days in  
133 monolayer culture. The protocol for NP-like cell differentiation is shown in Figure 2A.  
134 During differentiation, some cells developed a vacuole-like structure, the major  
135 feature of NPCs (Figure 2B-i). It has been reported that the tyrosine kinase receptor  
136 Tie2 (Tie2) and disialoganglioside 2 (GD2) are surface markers of NPCs (Sakai et al.,  
137 2012). After differentiation, immunohistochemistry analysis showed that some cells  
138 were positive for Tie2 and GD2 (Figure 2B-ii). These differentiated cells also  
139 expressed Aggrecan and Collagen II that are major makers of NPCs (Figure 2B-ii).

140 Next, we sorted the Tie2/GD2 positive cells using FACS. The results of FACS  
141 demonstrated that around 25~30% of the differentiated cells were Tie2/GD2 positive  
142 (Figure 2C-i). Subsequently, these Tie2/GD2 positive cells were cultured with NPC  
143 medium. As shown in Figure 2C-ii, there were many vacuoles in these sorted cells

144 (Figure 2C-ii). In addition, immunofluorescence staining showed that these sorted  
145 cells were positive for Tie2, GD2, T, Aggrecan and Collagen II but negative for Noto  
146 (Figure 2C-iii). Next, we focused on characterizing these NP-like cells. We first  
147 cultured these cells in methylcellulose medium. After culturing for 10 days, two types  
148 of colonies, colony-forming units-fibroblastic (CFU-F) and colony-forming  
149 units-spherical (CFU-S), were formed (Figure 2D-i). Immunofluorescence staining  
150 demonstrated that Collagen II and Aggrecan were highly expressed in CFU-S but not  
151 in CFU-F (Figure 2D-i). Furthermore, compared with another sub-population of  
152 differentiated cells, Tie2/GD2 double positive cells formed more CFU-S (Figure  
153 2D-ii). It has been reported that NPCs can release sonic hedgehog (Shh) (Choi et al.,  
154 2012). Therefore, we collected the conditioned medium (CdM) of NP-like cells and  
155 co-cultured it with a Light2 cell line, a luciferase-based reporter responsive to sonic  
156 hedgehog (Shh) secreted protein. Compared with DMEM, the CdM of NP-like cells  
157 greatly enhanced the luciferase activity of Light2 cells in a dose dependent manner,  
158 suggesting that ESC/iPSC-derived NP-like cells could release Shh (Figure 2F).

### 159 **Genome-wide transcriptomic analysis reveals differentiated cells have strong** 160 **characteristics of the nucleus pulposus**

161 To assess the genome-wide behaviors of the differentiated products, we performed  
162 bulk RNA sequencing on the before- (n=3) and after-differentiation samples (n=12)  
163 (Methods). Many important genes previously reported to be defining young adult NP  
164 [PMID: 25411088] or involved in NP development [PMID: 30902259] show strong  
165 up-regulation patterns in the differentiations (Figure 3A; Figures S1-3). Hierarchical

166 clustering of these 15 RNA profiles revealed the formation of two distinctive clusters:  
167 one that comprised the three starting lines, and the other comprising the 12  
168 differentiated samples (Figure 3B). The intra-cluster replicates were 91-97% similar,  
169 with only 50-60% similarity between before and after differentiations, suggesting that  
170 the lines followed the same differentiation path regardless of their origins. Stem cell  
171 markers Oct-4 (POU5F1), Sox2, and Nanog were significantly lowered in the  
172 differentiated cells (Figure 3A; Figure S4), indicating that differentiation had  
173 proceeded considerably. Downstream targets of the TGF- $\beta$  pathway (Ito and  
174 Miyazono, 2003; Meng et al., 2016), including RUNX1/2, ID1/2/3/4, PITX2 and P15  
175 (CDKN2B), had all been activated in the differentiation products (Figure S5),  
176 confirming the efficacy of our NPC protocol.

177 Secretion of ECMs is a pivotal role of normal human NPCs, and as such many efforts  
178 to establish cell markers for NPC have focused on ECM genes (the ‘matrisome’  
179 [PMID: 25411088; PMID: 20722018; PMID: 24049099]). Overall, 82 of the 275 core  
180 matrisome genes (Figures S6-7), and another 148 (Figures S8-9) of the 753 non-core  
181 matrisome genes were significantly up-regulated (FDR<0.05) in our NPC  
182 differentiations. In particular, these included 14 collagen genes: COL1A1/2, COL2A1,  
183 COL3A1, COL5A1/2/3 and COL6A3. Apart from collagen genes, the other two  
184 categories of the matrisome, proteoglycans and glycoproteins, were also abundantly  
185 up-regulated.

186 Proteoglycans are essential for the hydro-homeostasis of the inter-vertebral disc  
187 (Iatridis et al., 2007) and include three dozen or so genes, many of which were

188 proposed markers of NP, and were significantly up-regulated in the differentiations,  
189 including DCN (decorin), SPOCK1/2/3 (testican), LUM (lumican), BGN (biglycan),  
190 OGN (osteoglycin), alpha-2-macroglobulin (A2M), and FMOD (fibromodulin).

191 Glycoproteins encompass a diverse list of 200 genes that fulfill functions of ECM  
192 assembly, cell-adhesions and communications. Many of them were differentially  
193 expressed genes (DEGs) that were up-regulated in the differentiations, including  
194 laminins (LAMA4/LAMB4), emilins (EMILIN2), periostin (POSTN),  
195 thrombospondins (THBS1), cartilage oligomeric matrix protein (COMP), osteopontin  
196 (SPP1), fibronectin (FN1), tenascins (TNC), reelin (RELN), and SPARC. Some of the  
197 up-regulated glycoproteins are specific to bone and cartilage, including MGP and  
198 CILP. The up-regulated genes also include some modifiers of ECMs, including  
199 TIMP2/3 and MMP1/2/10/28, and cell-surface integrins interacting with ECMs,  
200 including ITGA1/4/8/11, ITGB3, and NCAM1/VCAM1. All up-regulated genes are  
201 summarized in supplementary file.

202 A panel of reported NP markers showed strong up-regulation in the differentiations  
203 (Figure 3A; Figure S1-3). Carbonic anhydrase III (CA3) is a highly specific marker  
204 for NP (Silagi et al., 2018) that increased 38.6 fold (FDR  $1.12 \times 10^{-6}$ ) after  
205 differentiation. Galectin-3 (LGALS3) is a marker for young adult NP samples (Silagi  
206 et al., 2018), and increased 5.5 fold (FDR: 0.036). Another NP marker, FOXF1, was  
207 not statistically significant, but increased in all differentiated products, by an average  
208 8.2 fold. Many bone, skeletal and cartilage genes were also highly expressed. CHST3,  
209 which encodes chondroitin 6-O-sulfotransferase 1 and is a replicated risk factor for

210 lower-back pain (Maxim et al., 2018), is essential for regulating the proteoglycans by  
211 means of sulfation. Chondrocyte markers such as SOX9 and COL2A1 are also  
212 significantly up-regulated. Other markers of NP, such as CDH2 (N-cadherin) (Lv et  
213 al., 2014) and AQP1 (Richardson et al., 2008) are also up-regulated genes.

214 Apart from the prominent ECM activities, a plethora of upstream regulators, pathways,  
215 and transcription factors were activated. A super Venn diagram (Figure S10)  
216 visualizes the significantly enriched pathways, from a compendium of sources,  
217 including KEGG, Biocarta and Reactome. A cluster of enriched terms including  
218 matrisome, focal adhesion, integrin, Wnt (DKK1/2, FZD1, LEF1, NKD1/2, and 15  
219 WNT-family genes), hedgehog (GLI3), angiogenesis and myogenesis can be observed  
220 in the top items, and further indicates cellular differentiation towards targeted  
221 cell-type. The expression of BMP inhibitors NOG (noggin), GREM1 (Gremlin1) and  
222 CHRD (chordin) that are known to be markers of NP cells (Chan et al., 2015) was  
223 also significantly increased in the differentiations. Other bone development genes that  
224 are up-regulated include runt-related transcription factor 2 (RUNX2), BMP1/4/5/7,  
225 TGFBI/2/3, LGR5, GDF5, and SOX5/6 (Smits et al., 2004). Sox5 and Sox6 are  
226 transcription factors that are required for ECM sheath formation and cell survival in  
227 the notochord, and development of the NP in IVDs (Smits and Lefebvre, 2003).  
228 TGF- $\beta$ 1 and GDF5 drive the differentiation of human adipose stromal cells towards  
229 NP-like cells (Colombier et al., 2016).

230 **Cross-comparisons of transcriptome profiles with human *in vivo* NP data**

231 To further verify the identity of our *in vitro* cells, we used two human *in vivo* NP  
232 datasets for cross comparisons: 1) an in-house set of bulk RNAseq profiles from four  
233 NP of three adolescent or young individuals (aged 13/14/33) undergoing discectomy  
234 due to scoliosis or burst fracture; and 2) a public microarray data of three ‘healthy’  
235 human NP in older adults (46-57 years old) (Minogue et al., 2010). In both datasets,  
236 genome-wide similarity of our differentiations to *in vivo* NP increased significantly  
237 and by a margin of ~5%. Particularly, similarity with the adolescent or young NP  
238 increases from 72% to 77% after differentiations (Student’s *t*-testing  $p=1.29\times 10^{-07}$ ;  
239 Figure 3C, Figures S11-12). By employing a statistical approach outlined in the  
240 methods, we were able to detect influential genes that significantly contributed to the  
241 increase of similarities (Figure 3D). We note that that these influential genes can work  
242 either by having lower (the negative influential genes) or higher (the positive  
243 influential genes) levels in the *in vitro* differentiated NPCs. But in both cases, they  
244 help by having closer values to the *in vivo* levels (moving towards the diagonal line).  
245 Among the negative influential genes is SOX2 which is an indication of loss of  
246 stemness; and the fact that it is negative influential means it is also low in *in vivo* NP.  
247 Among the positive influential genes are a huge number of NP relevant genes  
248 discussed in the previous section. Many of them rise from almost zero to ultra-high  
249 levels to match with their levels in *in vivo* NP, particularly several proteoglycans  
250 (DCN, LUM, and BGN) and some well-known NP markers. This result suggests that  
251 the increase in similarities to *in vivo* NP is intrinsically due to the existence of  
252 sizeable NP-like characteristics in our *in vitro* differentiations.

253 We also calculated the DEGs between *in vivo* NP and hESC/iPSCs, and those  
254 between *in vitro* NPCs and hESC/iPSCs, and their overlaps with the positive  
255 influential genes (Figure 3E). The three sets have a strong overlap (N=148; odds  
256 ratio=32.8) and any two sets are in significant overlap (supplementary methods). The  
257 148 genes were highly enriched for matrisome, glycoproteins, proteoglycans,  
258 integrins and other regulatory terms (Figure 3F). Figure 3G visualizes the expressions  
259 of these 148 genes, many of which are known NP markers discussed earlier.

### 260 **Transplantation of ESC/iPSC-derived NP-like cells attenuates IDD in rats**

261 Cell therapy is leading the field of regenerative medicine for many tissues and organs,  
262 including IDD. The development of effective NPC-based treatment for IDD requires  
263 much greater understanding to be derived first from animal models. We used a rat  
264 model of needle punch-induced disc injury as reported previously (Leung et al., 2014).  
265 Radiographic results revealed that compared with the non-injured disc (L5-6),  
266 intervertebral disc height index (DHI) was dramatically decreased in the injured discs  
267 (L4-5, L6-7, L7-8) two weeks after punch injury, suggesting that a model of IDD  
268 model was successfully established (Figure 4A, B). Furthermore, %DHI of the injured  
269 disc without cell transplantation showed no obvious recovery at 10 weeks after injury  
270 (Figure 4B). Nonetheless %DHI of the damaged disc was significantly enhanced four  
271 weeks after ESC/iPSC-NP-like cell transplantation and persisted at 8 weeks (Figure  
272 4B). Importantly, ESC-NP-like cells were superior to iPSC-NP-like cells in  
273 attenuation of IDD (Figure 4B). FAST staining showed that compared with the  
274 control disc, the nucleus pulposus tissue had disappeared in the injured disc (Figure

275 4C). Nevertheless transplantation of ESC/iPSC-NP-like cells resulted in significant  
276 recovery of the injured nucleus pulposus tissue (Figure 4C). These results demonstrate  
277 that transplantation of ESC/iPSC-NP-like cells attenuated needle puncture-induced  
278 IDD in rats.

### 279 **Cell survival and recovery of IDD**

280 To examine the cell survival post transplantation, ESC/iPSC-NP like cells were  
281 labeled with GFP *in vitro*. As shown in Figure 4A, GFP positive cells were detected  
282 in the NP at 2, 4 and 8 weeks post transplantation (Figure 5A-i). Nonetheless cell  
283 survival density was gradually reduced post transplantation (Figure 5A-ii). To further  
284 examine the therapeutic effects of ESC/iPSC-NP-like cells on IDD, we analysed the  
285 presence of Collagen II and Aggrecan among the different groups. Compared with the  
286 control group, the expression of Collagen II and Aggrecan as determined by  
287 immune-fluorescence staining was significantly reduced, indicating injury of the  
288 intervertebral disc (Figure 5B-i, ii). Nevertheless ESC/iPSC-NP-like cells greatly  
289 improved Collagen II and Aggrecan deposition in the interterritorial matrix of the NP  
290 (Figure 5B-i, ii).

### 291 **Establishing Noto-GFP reporter in hES cells**

292 Since there is no specific surface marker for Noto cells, we generated a Noto reporter  
293 in a human ESC line (hESC9). A classic homologous recombination strategy was  
294 used to precisely knock in an eGFP coding nucleotide into the loci of the Noto gene  
295 (Figure 6A). The binding site of gRNA was designed to be close to the terminal codon

296 of the Noto gene. Two Noto arms were used in this strategy; the eGFP was fused to  
297 the left arm using T2A as the adapter. To easily confirm that eGFP correctly  
298 integrated hESC9 colonies, a puromycin selection cassette was utilized that could be  
299 removed by activating the LoxP elements after transient introduction of Cre protein.  
300 Two pairs of primers were designed to characterize the real positive targeted colonies  
301 (Table S1). Among them, primer 1 was located at the flanking sequence of the  
302 homologous arms to cover the whole donor. To acquire better cutting efficiency in  
303 ESC9, two gRNAs were tested by SURVEYOR assay, with the gRNA1 presenting  
304 around 45% cutting efficiency (Figure 6B). After puromycin selection, hundreds of  
305 colonies were recovered. Twelve colonies were selected for PCR characterization  
306 using Primer 1 (Table S1), and nine colonies were eventually precisely integrated  
307 with GFP-LoxP-Puromycin-LoxP (Figure 6C). To remove the selection cassette, Cre  
308 protein was transiently induced. Finally, we successfully obtained four Noto-GFP  
309 reporter ESC9 cell lines after PCR characterization using Primer 2 (Table S1) (Figure  
310 6D). Sequencing results showed that eGFP was precisely and seamlessly fused to the  
311 Noto gene using T2A as the adapter; no frame-shift, nonsense or deletion mutation  
312 was detected (Figure 6E).

### 313 **Derivation and Isolation of NCCs from an hESC line with Noto-GFP reporter**

314 The Noto-GFP reporter cell line was directly cultured for two days on N2B27 basal  
315 medium containing Activin A (10ng/mL) followed by another three days of  
316 differentiation with addition of the same cell factors (Figure 7A). The GFP positive  
317 cells were also observed on the fifth day (Figure 7B). Immune staining revealed that

318 the GFP could overlap perfectly with Noto at the cell level (Figure 7B). Notably,  
319 real-time PCR results demonstrated higher expression of Noto, Foxa2 and T,  
320 indicating higher efficiency for NCC differentiation using a monolayer strategy  
321 (Figure 7C). To further test our Noto-GFP reporter cell line, we digested  
322 differentiating pluripotent stem cells into single cells and sorted the Noto-GFP  
323 positive cells by flow cytometry using the undifferentiated reporter cell line as a  
324 negative control. Noto-GFP cells were very sensitive to dissociation challenge and  
325 quickly died during dissociation from differentiating hES clusters. Although most  
326 Noto-GFP cells could not survive after dissociation from differentiating human  
327 pluripotent stem cells, sporadic living GFP-positive cells were acquired after sorting  
328 (around 0.1%). The sorted cells demonstrated more than 100 times higher expression  
329 of the Noto gene compared with the undifferentiated cells (Figure 7D). Further efforts  
330 are being made to define the optimum conditions under which to maintain Noto-GFP  
331 cells in culture.

## 332 **Discussion**

333 We developed a strategy to efficiently induce hESC/iPSCs into functional  
334 notochordal-like cells and NP-like cells. We have also provided transcriptomic  
335 landscapes to understand the molecular basis of notochordal differentiation. There are  
336 several major findings in the current study. First, NP-like cells and Noto-GFP NCCs  
337 can be successfully differentiated from human pluripotent stem cells with a  
338 compounds-defined protocol based on the knowledge that key signaling pathways  
339 determine a chordamesodermal lineage during embryonic development. Second,

340 whole transcriptomics analysis and cross-comparisons with public NP data reveal a  
341 panel of common and distinct molecular signatures. These molecular signatures could  
342 potentially be developed as general identity tags to define NP cells, and more specific  
343 markers to define features of different stage NP cells. Third, human  
344 ESC/iPSC-derived NP-like cells can functionally attenuate IDD in rats after  
345 transplantation. Fourth, we have successfully established a Noto-GFP reporter in a  
346 human ES cell line using CRISPR/Cas9 technology, allowing us to further define  
347 conditions for NCC differentiation and maintenance *in vitro*. Lastly, despite their poor  
348 viability, notochord-like cells can be purified after monolayer differentiation using  
349 Noto-GFP-hES cell reporter cells.

350 IDD is a global condition that is strongly associated with low back pain. It is a  
351 complex disorder of ageing compounded by environmental and genetic factors.  
352 Current treatment options are limited and sub-optimal. Surgical interventions,  
353 including discectomy or implantation of an artificial disc, can alleviate the symptoms  
354 but are prohibitively expensive, complex and also prone to failure. The cellular  
355 composition of the adult nucleus pulposus varies depending on the condition of the  
356 disc and an individual's age. Although the underlying pathogenesis is not fully  
357 understood, it has been proposed that exhaustion of NCCs plays an essential role in  
358 the etiology of IDD. Genetic lineage mapping studies in mice indicate that  
359 progressive loss of NCCs and replacement with hypertrophic chondrocyte-like  
360 nucleus pulposus cells (NPCs) are associated with the onset of IDD. Cell-based  
361 therapy has emerged as a novel strategy in regenerative medicine for many conditions,

362 including IDD. Unfortunately, this approach remains in its infancy due to many  
363 challenges. One major challenge is the limited availability of NCCs or NPCs.  
364 Therapeutically useful progenitor cells generated from pluripotent stem cells offer  
365 great potential to treat presently incurable human diseases. Indeed some stem  
366 cell-based treatments have achieved encouraging results in certain specific diseases.  
367 Several studies have also highlighted the strong potential of NP-like cells in  
368 regeneration of intervertebral discs (Perez-Cruet et al., 2018; Zhou et al., 2018).  
369 Nevertheless numerous ethical issues and technical limitations currently prevent us  
370 from obtaining functional cells from biopsy. Therefore, differentiating NP-like cells  
371 from human pluripotent stem cells is vital for basic and clinical research. Since NCCs  
372 are the progenitors of NP cells, differentiating NCCs was the first step in the current  
373 study. We cultured the human ESC/iPSC cell line in basal medium with Activin A  
374 (10ng/mL) for two days to stimulate mesoderm differentiation. Takada *et al.* found  
375 that *Wnt3a*<sup>-/-</sup> mice presented disrupted notochord development (Takada et al., 1994);  
376 and Mina reported that CHIR99021 could promote mesoderm differentiation of  
377 hESCs (Gouti et al., 2014). We replaced the DKK1 reported in the mouse NCC  
378 differentiation protocol with CHIR to continue cell differentiation. The results of  
379 immunostaining and real time PCR showed that transcription factors including *Foxa2*,  
380 *T* and *Noto*, which are essential for notochordal development, were greatly enhanced  
381 during the differentiation. Furthermore, *Foxa2* and *T* are co-expressed in  
382 notochordal-like cells and have been shown to be required for notochord development  
383 in ascidians, frogs and mice, suggesting that *Foxa2* and *T* are functionally conserved

384 in the specification and maintenance of NCCs (Risbud and Shapiro, 2011). Next, we  
385 continued this protocol for NPC differentiation using TGF- $\beta$ 3 for 15 days. Using this  
386 multistage protocol, ESC/iPSCs were differentiated to an NP-like phenotype,  
387 demonstrating vacuolated cell morphology and expression of NP markers including  
388 GD2 and Tie2 (Sakai et al., 2012). We also showed that ESC/iPSC-derived NP-like  
389 cells can release Shh. Subsequently, we examined the therapeutic effects of  
390 ESC/iPSC-derived NP-like cells in a rat model of IDD. Accumulating evidence has  
391 shown that administration of MSCs ameliorates the degenerated disc by promoting  
392 expression of Collagen II and Aggrecan and inhibits the apoptosis of NPCs (Sakai et  
393 al., 2006; Yang et al., 2008). Moreover, transplantation of dedifferentiated fat cells  
394 has been shown to promote regeneration of an intervertebral disc by differentiation  
395 into NP-like cells (Nakayama et al., 2017). Theoretically, transplantation of  
396 ESC/iPSC-derived NP-like cells is superior to other types of cells in attenuation of  
397 intervertebral disc degeneration. Our results show that transplantation of  
398 ESC/iPSC-derived NP-like cells functionally attenuated intervertebral disc  
399 degeneration by improving expression of Collagen II and Aggrecan in the injured  
400 disc.

401 Transcriptomic analyses by RNA-sequencing revealed a large number of NP markers  
402 and regulators that were strongly up-regulated in our differentiations. Despite the  
403 scarcity of healthy NP samples, we managed to collect two *in vivo* datasets as control  
404 NP for cross-comparisons, showing marked increase in similarity to *in vivo* NP after  
405 differentiations, to which major contributors were also identified and they show

406 strong relevance to the known biology of NP. We notice that even compared with  
407 adolescent or young *in vivo* NP, the genome-wide similarity only increases from 72%  
408 to 77%, suggesting sizeable heterogeneity in both *in vivo* and *in vitro* samples.  
409 Another reason we are not seeing higher similarities might be that the reference *in*  
410 *vivo* NP was taken from individuals with scoliosis conditions or burst fracture, whose  
411 transcriptomes by themselves may have deviated from the healthy state to a certain  
412 degree. Nonetheless the proportion of our cells with strong NP characteristics is  
413 projected to have been reasonably high in order to bring out those DEGs and increases  
414 in similarities to *in vivo* NP. An ideal and popular tactic may be to perform single-cell  
415 transcriptomics of our cells to further delineate their heterogeneity and assess the  
416 degree of yield but that is beyond the scope of this report. We are also aware that  
417 Tie2/GD2 expression levels in our differentiations were not particularly high. A  
418 possible scenario is that they existed in niche cell-populations with stronger  
419 progenitor-like capabilities that can be assessed in the near future with single-cell  
420 RNA-seq.

421 Although the Noto gene has been reported to be a tissue-specific marker for  
422 NCCs, there remains a substantial amount of work to verify its differentiating status  
423 and difficulties in sorting cells since Noto is expressed only transiently in the nucleus.  
424 Recently, Winzi et al obtained mouse NCCs from *in vitro* cell differentiation with the  
425 support of Noto-GFP reporter mouse ESCs (Winzi et al., 2011). The co-expression of  
426 GFP and Noto represented the real-time differentiating status of NCCs, and  
427 effectively reduced the workload of establishing the protocol. Moreover,

428 differentiated NCCs could be purified to define the surface marker using high  
429 throughput techniques. We successfully generated a Noto-GFP reporter cell line in  
430 hESC H9 to support human NCC differentiation. CRISPR/Cas9 has been widely  
431 utilized to achieve genome manipulation in all kinds of species; nonetheless its  
432 genome-editing efficiency remains quite low in human PSPs (Zhang et al., 2017). To  
433 seamlessly knock-in GFP in hESCs, we used the classic homologous recombination  
434 strategy mediated by Cre-LoxP system and optimized the cutting efficiency of gRNAs.  
435 Then, a GFP was seamlessly fused to the Noto using T2A as the adapter that  
436 contained the left homologous arm (1599bp), selection cassette (LoxP-Puro-LoxP)  
437 and the right homologous arm (1561bp). Finally, we achieved GFP Knock-in in ESC9  
438 cells with a high efficiency of 66%. After removing the selection cassette, Sanger  
439 sequencing indicated that GFP was precisely and seamlessly knocked in to the ESC9  
440 cells without any mutation. Next, we used this Noto-GFP-reporter ESC9 for NCC  
441 differentiation. With the exception of Foxa2 and T expression, the overlap between  
442 Noto and GFP at the protein and mRNA level also demonstrated the capacity of this  
443 Noto-GFP reporter cell line for NCC differentiation. Since the differentiated cells  
444 were extremely fragile and sensitive, we sorted only the targeted cells with an  
445 efficiency of around 0.1%. Nonetheless we obtained the GFP positive NCCs using  
446 flow cytometry as the Noto expression was more than 100 times higher than that of  
447 the control cells.

448         Several limitations in the current study need to be noted. First, although NP-like  
449 cells could be derived from human ESC/iPSCs, some genes of NP cells were not

450 expressed, thus the current protocol needs to be optimized. Second, although we could  
451 derive NCCs from human ESC/iPSCs, their survival and maintenance was not  
452 achieved in cell culture conditions. Third, although we found no teratogenic effects of  
453 ESC/iPSC-NP-like cells in animal study, their genomic stability needs to be evaluated  
454 carefully.

455 In summary, our study shows that NP-like cells can be effectively and efficiently  
456 derived from human pluripotent stem cells via a specific differentiation protocol.  
457 Transplantation of ESC/iPSC-NP-like cells can relieve IDD. Therefore,  
458 ESC/iPSC-NP-like cells provide a novel resource for the understanding of IDD and  
459 for the development of an NPC-based treatment for IDD.

## 460 **Star★Methods**

### 461 **Cell culture and differentiation**

462 hESC3/ESC9 and IMR90-iPSC were cultured on a six-well culture plate (Corning  
463 Cellgro) coated with Geltrex (Thermo Fisher). Essential 8 medium (Thermo Fisher)  
464 was changed daily to sustain cell growth. Y-27632 (Sigma) was added after cell  
465 passage, thawing and nucleofection (Lonza). For NC-like cell differentiation,  
466 ESC3/ESC9/IMR90-iPSC were passaged and seeded on a 0.1% Geltrex-coated 6-well  
467 plate at a density of 50,000 cells/cm<sup>2</sup> with Essential 8 medium. One day later,  
468 Essential 8 medium was replaced by DMEM/F12 medium supplemented with N2,  
469 B27, ITS, 0.1mM NEAA, 2 mM L-glutamine, and 0.1 mM 2-mercaptoethanol  
470 (Thermo Fisher) and Activin A (10ng/mL) for two days at step1. Then, other cell

471 growth factors containing Activin A (10ng/mL), FGF2 (10ng/mL), Noggin (50ng/mL),  
472 CHIR (3 $\mu$ M) and AGN193109 (10 $\mu$ M) were added for a further three days  
473 differentiation (Cell growth factor from PeproTech, chemicals from Sigma) at step 2.  
474 For NP-like cell differentiation, the medium at step 2 was changed to DMEM-HG  
475 supplemented with 1% ITS+, 1% NEAA, 1% penicillin/streptomycin, 50 $\mu$ g/ml  
476 ascorbic acid-2-phosphate (Sigma), 40 $\mu$ g/ml L-proline (Sigma), 10nM  
477 Dexamethasone and 10ng/ml TGF- $\beta$ 3 (R&D) for 15 days at step3.

#### 478 **Immune staining**

479 The differentiated cells were fixed in 4% PFA (Merck Millipore) for 30 minutes. The  
480 slides were blocked in 1% horse serum (Thermo Fisher) for one hour after rehydration,  
481 and then incubated at 4 $^{\circ}$ C overnight with the primary antibodies: Noto, T, Foxa2, GD2,  
482 Tie2, Collagen II, Aggrecan (Santa Cruz Biotechnology). After washing with PBS  
483 three times, the slides were incubated with the secondary antibodies in the dark for  
484 one hour at room temperature. Finally, cells were mounted with DAPI and  
485 photographed using a confocal microscope LSM 700 (Carl Zeiss).

#### 486 **Quantitative RT-PCR**

487 To examine the mRNA expression of Noto, Foxa2 and T, all cells at day 0, 4, 5 and 6  
488 after differentiation were collected to extract the total RNA using an RNeasy mini kit  
489 (Qiagen). The cDNA was then synthesized using a Prime ScriptRT reagent kit with  
490 gDNA eraser (Clontech) for real-time PCR detection (Thermo Fisher). The primer  
491 sequences are listed in Supplementary Table 1.

492 **Flow cytometry**

493 The NP-like cells after differentiation were digested to single cells using Accutase  
494 after washing with PBS, and then stained with GD2 and Tie2 antibodies followed by  
495 incubation with fluorescently labeled secondary antibodies. Finally, cells were  
496 re-suspended in cool PBS containing 0.5% BSA (Sigma) at a concentration of  
497  $2 \times 10^6$ /ml. Appropriate isotype controls were used. Cells were sorted using a  
498 FACS Aria II cell sorter system (BD) to determine the percentage of cells positive for  
499 GD2 and Tie2 (% cells).

500 **Human *in vivo* samples**

501 A set of four human *in vivo* NP (from three individuals) were used as reference for the  
502 target cell types. The three individuals were all females and aged 13, 14 and 33,  
503 respectively. The first two were diagnosed with scoliosis, and the third one (33yo) had  
504 burst fracture at L1. All three underwent discectomy (two levels at T12/L1 and L1/2,  
505 one level at L2/3, and one level at L1/2, respectively) between June 2012 and May  
506 2014 at the Queen Mary Hospital of Hong Kong. Informed consents and Institution  
507 Review Board (IRB) approval were obtained.

508 **RNA sequencing and processing**

509 Bulk transcriptomes of both before (ESC3/ESC9/IMR90-iPSC), *in vitro* differentiated  
510 cells (four replicates for each differentiation line, twelve samples in total), and four  
511 human NP were performed at the Centre for Genomic Sciences (CGS) of the  
512 University of Hong Kong.

513 To assess the degree of heterogeneity after differentiations, four biological replicates  
514 per line were sequenced. In all, cDNA libraries of 19 input samples (~100 ng each)  
515 were prepared by the KAPA Stranded mRNA-Seq Kit (KR0960-v3.15) according to  
516 the manufacturer's instructions. They were then sequenced on the Illumina  
517 HiSeq-1500 platform, in five flow-cell lanes, and in paired-end formats (2×101bp).  
518 Over 90% of the bases achieved a quality score of Q30 (error calling <1/1000). On  
519 average, approximately half a million read-pairs were obtained per sample. The reads  
520 were mapped against the human reference genome (GRCh38) using the HISAT2  
521 aligner (Kim et al., 2015) with default parameters. The average mapping rate was 93.6%  
522 (min. 90.6%, max. 96.6%) and ~80% of the reads were mapped to unique genomic  
523 locations (Figure S13A-B). The resultant bam-files were quantified using both  
524 Cufflinks (Trapnell et al., 2012) and HTSeq-count (Anders et al., 2015) with gene  
525 annotation files provided by GENCODE (version 25) (Harrow et al., 2012). On  
526 average, 14,546 and 27,859 genes per sample with FPKM values greater than 1 and 0,  
527 respectively, were recorded.

#### 528 **Analyses of differentially expressed genes (DEGs)**

529 The raw read counts generated by HTSeq-count were further analysed by DESeq2  
530 (Anders and Huber, 2010) to detect DEGs before and after the differentiation. In all,  
531 1691 genes with log<sub>2</sub> (fold-change) >2 and FDR q-value <0.05 were detected for  
532 genes specifically up-regulated in the *in vitro* differentiated NPCs (Figure S14). We  
533 also computed the DEGs among *in vitro* NPCs of different lines, and found that only  
534 12.3% of the DEGs in *in vitro* NPCs varied across the lines (Figure S15A). The

535 majority were line-independent. There were several hundred DEGs across the lines,  
536 mostly due to original line differences before differentiation (Figure S15B-D). This  
537 shows that our protocol for NPC differentiation is robust against different starting  
538 cell-lines. The DEGs were further analysed with Geneset Enrichment Analyses  
539 (GSEA) tools (Subramanian et al., 2005). To overcome the strong overlap among  
540 enriched GO terms and pathways, a super Venn diagram was used to visualize their  
541 pairwise similarities (Fatemieh, 2006) and subsequent dimensional reduction by  
542 t-SNE (Maaten and Hinton, 2008).

#### 543 **Cross-comparison and detection of influential NP-specific markers**

544 First, we identified a reference dataset recognized to be of target tissue/cell-type (in  
545 our case, the nucleus pulposus). For a sample in our differentiations, its expression  
546 profile is denoted by the vector  $\mathbf{x} \in R^N$ , where  $N$  is the number of genes and  $R$   
547 denotes real number. A profile in the reference data is denoted as  $\mathbf{y} \in R^N$ . Let  $r^2$  be  
548 the coefficient of determination for the linear model  $\text{lm}(\mathbf{y} \sim \mathbf{x})$ , then  $r$  is also the  
549 Pearson Correlation Coefficient (PCC). One gene  $i \in [1, N]$  at a time was left out  
550 and the coefficient of determination calculated and denoted as  $r_{(i)}^2$ , and the difference  
551 denoted as  $\Delta r_{(i)}^2 = r_{(i)}^2 - r^2$ . A negative  $\Delta r_{(i)}^2$  suggested that removal of gene  $i$   
552 decreased the goodness-of-fit. Thus, the more negative  $\Delta r_{(i)}^2$  was, the more  
553 contribution gene  $i$  makes in establishing the similarity between our differentiations  
554 and the reference sample. A cut-off was chosen by fitting  $\{\Delta r_{(i)}^2 | i = 1, 2, \dots, N\}$  on a  
555 Gaussian model, and choosing genes falling in the  $P < 0.05$  region of the model.

556 Since there were multiple samples in our data in the public data, the values for  $\Delta r_{(i)}^2$   
557 became  $\Delta r_{(i)}^2(j, k)$  for samples  $j$  in our data and  $k$  in the public one. Our data also  
558 consisted of before and after differentiations data (n=3 and 12, respectively). We  
559 performed  $t$ -testing of  $\Delta r_{(i)}^2(j, k)$  for before and after differentiations, by linking it  
560 as a series of observations.

### 561 **Data availability**

562 All genomics data reported in this study are deposited at the NIH Gene Expression  
563 Omnibus (GEO) databases (GSE122429, reviewer's token: adqxysegfpxzir). An  
564 interactive web interface for the data is available at: [www.sbms.hku.hk/scopes/NPC](http://www.sbms.hku.hk/scopes/NPC).

565 [The CDS data is being uploaded. Will add the GSE number after I obtained it.]

### 566 **Colony-forming assay**

567 To evaluate colony formation, a single-cell suspension of  $1.0 \times 10^3$  NP-like cells was  
568 plated on 35-mm diameter dishes and cultured in 1ml of MethoCult H4230  
569 methylcellulose medium (Stem Cell Technologies) for 10 days. Colonies were  
570 counted using an inverted microscope.

### 571 **Vector construction**

572 For donor construction, the homologous arms, the eGFP and the LoxP-Puro-LoxP  
573 selection cassette were amplified separately (Primer see Table S1). Then, they were  
574 transformed into competent cells after ligation with pBluescript II KS(-) plasmid  
575 using a Gibson kit (NEB). gRNA vectors were designed as described online

576 (<http://crispr.mit.edu/>) and constructed into MLM3636 (Addgene, 43860) in  
577 accordance with its supplemental cloning protocol. A surveyor mutation detection kit  
578 (IDT) was used to evaluate the cutting efficiency and off-targets of gRNAs (Primers  
579 see Table S2). Plasmids of hCas9 (Addgene, 41815) were utilized for genome editing.

#### 580 **GFP knock-in**

581 4D nucleofector (Lonza) was utilized to achieve the highest transfection efficiency in  
582 H9. Briefly, ESC9 was digested into single cells by accutase (Thermo Fisher) and  
583 mixed with the vectors containing gRNA, Cas9 and donor for nucleofection. Then,  
584 cells were seeded onto the plate coated with Geltrex and cultured in essential 8  
585 medium. 0.5µg/mL of puromycin (Thermo Fisher) was added to screen the integrated  
586 colonies. They were picked for PCR characterization and Sanger sequencing (BGI)  
587 using primer 1 (Table S1) when the colonies became visible to the naked eye. Finally,  
588 AAV-mediated Cre recombinase (Clontech) was utilized to remove the selection  
589 cassette and the targeted colonies characterized using Primer 2 (Table S1) and Sanger  
590 sequencing. All Noto-GFP reporter cell lines were evaluated by off-target testing  
591 (Primers in Table S2) and three germ layer differentiations.

#### 592 **Rat model of IDD and cell transplantation**

593 All animal experiments were performed in the laboratory according to the Guide for  
594 the Care and Use of Laboratory Animals in the University of Hong Kong. The IDD  
595 rat model was induced as previously described (Wang et al., 2018). Briefly, after  
596 inhalational anesthesia with isoflurane, the tail discs were exposed by a longitudinal

597 incision and a 21-gauge needle punctured 1.5mm into the disc at the level of caudal  
598 intervertebral disc (L4-5, L6-7, L7-8). The intervertebral disc L5-6 remained  
599 unpunctured and served as the control. Two weeks after injury, GFP-labeled  
600 ESC/iPSC-NP like cells ( $5 \times 10^4/10 \mu\text{l}$  PBS) were injected into the injured  
601 intervertebral disc (L6-7, L7-8). Meanwhile,  $10 \mu\text{l}$  PBS was injected into L4-5 as the  
602 IDD group.

### 603 **Radiographic evaluation**

604 Radiographic assessment of IDD in rats was performed as described previously  
605 (Nakayama et al., 2017). Briefly, under inhalational anesthesia, the radiographic  
606 images of intervertebral disc levels of rats including L4-5, L5-6, L6-7 and L7-8 were  
607 captured using a Toshiba Medical Systems KXO-80C instrument. Intervertebral disc  
608 height index (DHI) was analyzed using NIH-Image J software as described previously.  
609 The change in DHI before and after ESC/iPSC-NP-like cell transplantation was  
610 expressed as %DHI (post injection DHI/pre-injection DHI)(Li et al., 2014).

### 611 **Histological evaluation and immunohistochemistry**

612 Eight weeks post cell transplantation, whole discs with the adjacent vertebrae (L4-5,  
613 L5-6, L6-7 and L7-8) were collected and dissected. Discs were fixed,  
614 paraffin-embedded, and sectioned into  $5 \mu\text{m}$  slices. The histological structure of the  
615 discs was examined by FAST staining according to the protocol (Leung et al., 2009).  
616 After blocking with 5% bovine serum albumin for 30mins, the sections were  
617 incubated overnight at  $4^\circ\text{C}$  with primary antibodies including anti-GFP (SC-8334,

618 Santa Cruz), anti-Collagen II, and anti-AggreCAN. After washing with PBS, samples  
619 were incubated with the second antibody, FITC-conjugated anti-mouse IgG (1:1000),  
620 anti-rabbit IgG (1:1000) or anti-goat IgG (1:1000), for 1 hr at room temperature.  
621 Finally, the sections were washed, mounted with DAPI and photographed using a  
622 fluorescent microscope.

### 623 **Statistical Analysis**

624 Quantitative data are expressed as mean  $\pm$  SEM. Statistical analysis was performed by  
625 unpaired Student t test for comparisons between 2 groups and by 1-way ANOVA,  
626 followed by Bonferroni test for comparisons between 2 groups. A value of  $P < 0.05$   
627 was considered statistically significant.

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### 633 **Author Contributions**

634 Experiments and assembly of data, YLZ, ZZ, PKC; Bioinformatics analysis PKC;  
635 Experiments with assistance from RW, TKA, PY, CL, CM; Human sample collection  
636 and processing by KL, VT, TKA, KMC; Data analysis and explanations VYL, YLZ,  
637 ZZ, PKC, HFT, KSC and QZL; Manuscript written YLZ, ZZ, PKC and QZL;  
638 Concept and design, manuscript revision, and final approval of the manuscript, QZL.

639 **Conflict of interest**

640 The authors declare that they have no conflict of interest.

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804 **Figure legends**

805 **Figure 1. Early notochord markers are differentiated from ESC/iPSCs.**

806 A. Schematic diagram illustrating two steps for directed differentiation of human  
807 ESC/iPSCs into notochord-like cells.

808 B. RT-PCR demonstrating the mRNA levels for Noto, Foxa2 and T on different days  
809 post differentiation from ESC3 (i), ESC9 (ii) and iPSC (iii). n=3.

810 C. Immunofluorescence staining showing the expression of Noto, T and Foxa2 on day  
811 5 after differentiation from ESC3 (i), ESC9 (ii) and IMR-90-iPSC (iii), respectively.  
812 Scale bars: 50  $\mu$ m.

813 All data are represented as mean  $\pm$  SEM per independent experiments. Difference  
814 between means was analyzed using one-way ANOVA followed by Bonferroni's  
815 Multiple Comparison Test. **\*\* $P < 0.01$ .**

816 **Figure 2. Differentiation of NP-like cells from hESC/iPSCs**

817 A. Schematic diagram illustrating directed differentiation of human ESC/iPSCs into  
818 NP-like cells.

819 B. Representative images showing the morphology of NP-like cells on Day 14,17, and  
820 19 during the differentiation (i). The vacuoles in the differentiated cells are marked by  
821 arrows (i). Representative images of immunofluorescence staining showing the  
822 expression of GD2, Tie2 and Collagen II in the differentiated cells (ii). Scale bars: 50  
823  $\mu$ m.

824 C. The GD2/Tie2 double positive cells were sorted by FACS (i). The vacuoles were  
825 observed in the sorted NP-like cells (ii). Representative images of  
826 immunofluorescence staining showing the expression of GD2, Tie2, Collagen II,  
827 Aggrecan and T but not Noto in the sorted NP-like cells (iii). Scale bars: 50  $\mu$ m.

828 D. Two types of colonies derived from NP-like cells in methylcellulose medium at 10  
829 days. NP-CFU-S (left) and NP-CFU-F (right) (i). Immunofluorescence staining  
830 showed Collagen II and Aggrecan were highly expressed in NP-CFU-S but not  
831 NP-CFU-F(i). One thousand NP-like cells from each population were subjected to a  
832 CFA for 10 days. The frequency of NP-CFU-S was greatly increased in GD2+/Tie2+  
833 sorted cells compared with other population (ii). n=3. Scale bars: 50  $\mu$ m.

834 E. CdM of NP-like cells greatly enhanced the luciferase activity of Light2 cells in a  
835 dose dependent manner. n=3.

836 All data are represented as mean  $\pm$  SEM per independent experiments. Difference  
837 between means was analyzed using one-way ANOVA followed by Bonferroni's  
838 Multiple Comparison Test. \*\* $P < 0.01$ .

839 **Figure 3. Transcriptomic analyses of *in vitro* NP cells and their**  
840 **cross-comparisons with *in vivo* NP.**

841 A. A heatmap and bi-clustering of a set of important genes in NP development. Colors  
842 indicate the normalized expression levels. Data are gene-wise standardization  
843 (zero-mean and unit variance) of  $\log_2$ FPKM (same in G).

844 B. A heatmap showing the pairwise similarity among samples before and after  
845 differentiations as measure by genome-wide Pearson correlation coefficients. The  
846 samples were also clustered by hierarchical clustering based on the similarity matrix.

847 C. A violin and box-plot showing the increased similarity to a set of four *in vivo* NP  
848 samples taken from surgical samples of the human intervertebral discs. The Student's  
849 *t* test p-value is  $1.29 \times 10^{-07}$ .

850 D. A scatter-plot of all genes before (grey, averaged over three cell-lines) and after  
851 differentiations (light-green, cyan and pink; averaged over 12 replicates). The most  
852 influential genes, whose removal significantly reduce the similarities, were  
853 highlighted by an arrow pointing from its expression level in the hESC/iPSCs to its  
854 expression in the *in vitro* differentiated NPCs. Left arrows indicate negative  
855 influential genes: those contributing to increased similarities by having lower  
856 expression in the *in vitro* differentiated NPCs; right arrows indicate positive  
857 influential genes: those contributing to increased similarities by having higher  
858 expressions in the *in vitro* differentiated NPCs.

859 E. A Venn diagram showing the overlaps among differentially expressed genes  
860 (DEGs) between the *in vivo* differentiated NP and hESCs/iPSCs, and those between *in*  
861 *vitro* differentiated NPCs and hESCs/iPSCs, and the positive influential genes  
862 identified in (D).

863 F. A gene-ontology (GO) analysis of the 148 positive influential genes in overlap  
864 shows that they are enriched for various types of ECMs and their regulatory  
865 pathways.

866 G. A heatmap and bi-clustering of the 148 genes in overlap.

867 **Figure 4. Transplantation of ESC/iPSC- NP-like cells attenuates disc injury in a**  
868 **rat model of IDD.**

869 A. Two weeks after intervertebral disc injury, ESC/iPSC- NP-like cells or PBS were  
870 injected into the injured intervertebral disc. Representative radiographic images of  
871 IDD from the different experimental groups before or after injury.

872 B. Time course of change to percentage disc height index (% DHI) for the different  
873 experimental groups. n=6/group.

874 C. Representative images of Fast staining showing a damaged intervertebral disc at 8  
875 weeks post cell transplantation.

876 All data are represented as mean  $\pm$  SEM per independent experiments. Difference  
877 between means was analyzed using one-way ANOVA followed by Bonferroni's  
878 Multiple Comparison Test.  $**P < 0.01$  vs. PBS group.

879 **Figure 5. Evaluation of GFP-labeled ESC/iPSC- NP-like cell transplantation in**  
880 **the rat model of IDD.**

881 A. Representative immunohistochemical images for GFP showing the survival of  
882 ESC/iPSC- NP-like cells at 2, 4 and 8 weeks post cell injection (i). The cell density of

883 ESC/iPSC-NP-like cells at 2, 4 and 8 weeks post transplantation was calculated (ii).

884 n=6/group. Scale bars: 50  $\mu$ m.

885 B. Representative immunohistochemical images for Collagen IIA among the different

886 experimental groups (i). The fluorescence density of Collagen IIA among the different

887 experimental groups was calculated (ii). Representative immunohistochemical images

888 for Aggrecan among the different experimental groups (iii). The fluorescence density

889 of Aggrecan among the different experimental groups was calculated (iv). n=6/group.

890 Scale bars: 100  $\mu$ m.

891 All data are represented as mean  $\pm$  SEM per independent experiments. Difference

892 between means was evaluated using one-way ANOVA followed by Bonferroni's

893 Multiple Comparison Test. **\*\* $P < 0.01$ .**

894 **Figure 6. Generation of a Noto-GFP reporter cell line**

895 A. General sketch for GFP knock-in. gRNA was designed to be close to the stop

896 codon. The donor comprised two homologous arms, exogenous gene and selection

897 cassette, which finally formed a Noto-2A-GFP-LoxP-Puro-LoxP-Noto” structure.

898 B. SURVEYOR assay of gRNAs. gRNA2 showed higher cutting efficiency in ESC9.

899 C. Characterization of GFP knock-in. Precise GFP integrated colonies present 6590bp

900 of PCR products.

901 D. Characterization of selection cassette removal. Longer PCR products (1309bp)

902 indicated that the selection cassette had been successfully removed.

903 E. Sanger sequencing results. No mutation was detected in the Noto-GFP reporter cell  
904 line.

905 **Figure 7. Evaluation of Noto-GFP reporter by differentiation**

906 A. Schematic diagram illustrating two steps for directed differentiation of human  
907 ESC/iPSCs into notochord-like cells.

908 B. Five days after differentiation, GFP cells were observed with a fluorescence  
909 microscope (iii, iv) but not in ESC9 (i, ii). The Noto and GFP were shown by immune  
910 staining to be co-expressed in the same cell (v-viii). Scale bars: 50  $\mu$ m.

911 C. Compared with ESC9, the mRNA levels of Noto, Foxa2 and T were greatly  
912 enhanced in the differentiated cells (i-iii). n=3.

913 D. Differentiating hES cells that were Noto-GFP positive were dissociated into single  
914 cells. A small portion of Noto-GFP positive cells were sorted out. The expression  
915 level of Noto in sorted out cells was over 100 times greater that of undifferentiated  
916 hES cells (i-iii). n=3.

917 All data are represented as mean  $\pm$  SEM per independent experiments. Difference  
918 between means was evaluated using Unpaired *t*-test (C, D). \*\**P* < 0.01.