Unique territorial and compartmental organization of chromosomes in the holocentric silkworm

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Abstract

Hallmarks of multicellular eukaryotic genome organization are chromosome
territories, compartments, and loop-extrusion-mediated structures, including TADs. However,
these are mainly observed in model organisms, and most eukaryotes remain unexplored.
Using Hi-C in the silkworm *Bombyx mori* we discover a novel chromatin folding structure,
compartment S, which is "secluded" from the rest of the chromosome. This compartment
exhibits loop extrusion features and a unique genetic and epigenetic landscape, and it localizes
towards the periphery of chromosome territories. While euchromatin and heterochromatin
display preferential compartmental contacts, S domains are remarkably devoid of contacts
with other regions, including with other S domains. Polymer simulations show that this
contact pattern can only be explained by high loop-extrusion activity within compartment S,
combined with low extrusion elsewhere through the genome. This unique, targeted extrusion
represents a novel phenomenon and underscores how evolutionarily conserved
mechanisms—compartmentalization and loop extrusion—can be repurposed to create new
3D genome architectures.

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Introduction

Three-dimensional (3D) genome organization regulates cellular physiology by influencing gene expression [1–8], DNA replication [9,10], and DNA repair [11,12], among other processes [8,13–16]. This rich, multiscale spatial organization includes chromosome territories (CTs) [17–19], chromatin compartments [20,21], and extrusion-mediated loops [22–29], each of which arises through a distinct physical mechanism [13,16,30]. These mechanisms simultaneously act on chromatin, raising the possibility that they may interact with each other. Here, we study the genome folding of the silkworm *Bombyx mori* and uncover a novel interplay between two major mechanisms: compartmentalization and loop extrusion.

Chromatin compartmentalization is thought to arise from affinity-mediated phase separation of different types of chromatin. By this mechanism, similar types of chromatin (broadly, euchromatin and heterochromatin) may segregate into spatially distinct compartments [13,30–33]. In Hi-C and other chromatin contact maps, this effect manifests as a distinctive checkerboarding pattern reflecting preferential interactions between segments of like chromatin state. Studies suggest that compartmentalization maintains epigenetic state, through maintaining its long-term memory [34,35] and the co-regulation of epigenetic states between distal loci [36].

Loop extrusion is driven by molecular motors belonging to the structural maintenance of chromosome (SMC) complexes, such as cohesin and condensin. These motors bind to chromatin and extrude it into progressively enlarging loops. Cohesin extrudes chromatin and is stalled by barriers, such as CTCF in vertebrates. This process forms TADs in Hi-C maps, which are insulated domains of enriched contacts, as well as dots and stripes [24,25,37–41]. In vertebrates, the interphase genome is typically fully partitioned into TADs, reflecting a relatively uniform distribution of cohesins across the genome. However, in certain developmental contexts, cohesin can be recruited to specific loci and form a distinct Hi-C contact pattern, termed fountains/jets/plumes [42–47]. Thus, loop extrusion activity may generate different structures depending on cohesin loading patterns and the presence of extrusion barriers in the surrounding chromatin.

Studies of extrusion in vertebrate systems have often found an antagonistic relationship between loop extrusion and compartmentalization [26,27,48–50]. Suppressing cohesin activity removes chromatin loops and weakens TADs, while also strengthening compartments [26,27,48,49]. Increasing cohesin activity by extending its residence time lengthens chromatin loops, strengthens TADs, and weakens compartments [48–50]. Polymer modeling reveals this antagonism may be caused by cohesin bridging interactions between different types of compartments and increasing chromatin mobility [32]. However, a recent study demonstrated that loop extrusion is not solely antagonistic to compartmentalization, as stabilized extrusion enhances certain compartments in simulations of mitotic chromosomes [51]. Thus, the effect of loop extrusion on compartmentalization may depend on the precise activity of loop extrusion in a given context.

While many studies focus on loop extrusion in vertebrates, loop extrusion is well conserved across the kingdoms of life. Indeed, many important insights into vertebrate loop extrusion activity were first established in other organisms. For example, observations of SMC complexes in yeast [52–55] and bacteria [56,57] were foundational for subsequent studies explaining the nature of SMC-RNA Polymerase interactions in mammals [58,59]. Similarly, targeted loading of SMC complexes to specific loci in bacteria [60–63] preceded the discovery of

fountains/jets/plumes in vertebrate cells [42,43,46]. Therefore, studying diverse organisms
beyond vertebrates can reveal new principles of loop extrusion and genome organization.
While a recent study of 3D genomics compared a diverse set of organisms, it excluded
species with radically different linear chromosome organization, such as species with
holocentric chromosomes [64]. These have centromeric function distributed along the entire
length of each chromosome, unlike most eukaryotes that have a single centromeric region per
chromosome. Few studies have investigated the 3D genome organization of holocentric
organisms, with the notable exception of *C. elegans* [65–68]. Thus, studies of such organisms
could expand our understanding of the principles of genome architecture.
To this end, we characterize the genome architecture of the holocentric silkworm *B.*
mori, which evolved holocentricity convergently with *C. elegans*. By combining Hi-C,
epigenetic and transcriptomic profiling, polymer modeling, and Oligopaint FISH, we find a
unique genome organization in *B. mori*. This organism exhibits a high degree of chromosome
territoriality, three epigenetically distinct compartments, and a nonuniform pattern of loop
extrusion activity. Further, we uncover an extreme instance of loop extrusion interfering with
compartmentalization. Our analysis and modeling demonstrate that, through targeted loop
extrusion, *B. mori* establishes novel, secluded domains that are depleted in chromosome-wide
compartment contacts. This unique chromatin structure relies on the interplay of extrusion
and compartmentalization and cannot arise by either mechanism alone. Our study thus
demonstrates how novel chromatin structures can emerge from new combinations of
conserved genome folding mechanisms.
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Results

<u>*Bombyx mori linear genome organization*</u>

The *B. mori* genome encompasses 27 autosomes, the Z sex chromosome (Chr01), and
the W sex chromosome, which vary in length from approximately 8 to 22 Mb. Genome-wide
analysis of GC content revealed a tripartite organization of *B. mori* chromosomes, with a
central GC-poor region and two large telomere-proximal GC-rich regions (Figure 1A). This
linear organization is reminiscent of that of the nematode *C. elegans* (Figure 1B), another
holocentric organism whose chromosomes are divided into centers and arms [69]. We thus used
our GC content track along *B. mori* chromosomes to define arms and center regions for each
chromosome (see M&M for detail, Table S1). In *C. elegans*, chromosomal arms are enriched
in repetitive DNA, while centers are enriched in genes [69] (Figure 1B). In *B. mori*, we found a
similar organization with significant, but less distinct, patterns of transposable elements (TEs)
and gene coverage (Figure 1B). The similarity in linear genome organization between these
two species might reflect convergent evolution between the two holocentric lineages that
evolved independently from different monocentric ancestors [70,71].

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<u>*Chromosomes in B. mori embryos form highly segregated territories*</u>

We generated Hi-C datasets from whole *B. mori* embryos at three different embryonic
post diapause time points (2, 24, and 48 hours after diapause release) and one adult stage
from the p50 reference strain. For most of our analysis, we focused on the 24-hour post-
diapause timepoint (PD-D2) (Figure 1C), for which we confirmed that a proportion of cells have
re-entered the cell cycle and are thus no longer arrested in G2 (Figure S1) [72].

The PD-D2 Hi-C contact pattern across all 28 chromosomes revealed very sparse inter-
chromosomal contacts (Figure 1D). This is consistent with recent DNA FISH data that revealed
that *B. mori* chromosomes are tightly folded and occupy distinct CTs [73]. Despite the similarity
in linear genome organization between *B. mori* and *C. elegans*, clustering between centers
and arms of different chromosomes, easily seen on *C. elegans* contact maps [65,66], is not evident
in *B. mori*. Nevertheless, drawing the average *trans* contact matrix reveals enrichments
between large sub-telomeric regions, indicating some degree of telomere or arm clustering
between chromosomes in *B. mori* (Figure 1E).
Despite the sparsity of inter-chromosomal contacts, we tested whether known
patterns of sub-nuclear positioning of chromosomes seen in other organisms are present in
B. mori. In humans, small, gene-rich chromosomes have been shown to preferentially interact
with each other and localize more centrally within the nucleus [20,74–76]. A length-dependent
contact preference can also be identified among *B. mori* chromosomes, with a group of small
chromosomes (Chr02, 28, 26, 20, and 16) having the highest average inter-chromosomal
contact frequency (Figures 1F, S2A). However, the correlation between inter-chromosomal
contacts and gene density is mild (Figure S2B). This might be due to the lower variation in
length and gene content among *B. mori* chromosomes compared to human chromosomes.
We also noticed a positive correlation between inter-chromosomal contacts and GC content
(Figure S2C), but whether GC content contributes to observed contact preferences is unclear.
Our data reveal conserved principles in chromosome organization in *B. mori*, such as
the formation of CTs and mild length-dependent inter-chromosomal contact preferences. In
contrast to other organisms, however, inter-chromosomal contacts are not correlated with
gene density, and *B. mori* chromosomes make very limited inter-chromosomal contacts
overall, highlighting the remarkably strong CTs in this organism.
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B. mori chromosomes are organized in three chromatin compartments

We next investigated compartmentalization of *B. mori* chromosomes. Many regions of
the Hi-C maps displayed a characteristic checkerboard pattern of alternating regions of two
types, displaying enriched homotypic (self-to-self) and depleted heterotypic (self-to-other)
contacts (Figure 2A, left and middle panels), seen in all other animals [8,30,77–81]. However, unlike
Hi-C maps from any other organism, we unexpectedly found large chromatin segments that
do not display checkerboard patterning. Instead, these regions engage in a high degree of
short-range contacts but few long-range contacts with any other chromosomal segments
(Figure 2A, left and right panels). Therefore, these regions are atypical for compartments, but
also appear to be different from TADs, which are described in vertebrates and exist within
checkerboarding compartments.
To identify which chromosomal loci engage in this novel interaction pattern, we
applied an approach similar to a recently developed sub-compartment detection algorithm [82].
From the *cis* Hi-C maps, we k-means clustered the leading principal components of the
Pearson-correlated matrices, revealing groups of loci with similar contact profiles (Figures 2A,
and Table S2). This strategy enabled us to define three main clusters along each chromosome,
which we then unified across the genome based on epigenetic composition (Materials and
Methods).
We profiled active (H3K36me3, H3K4me3) and silent (H3K27me3, H3K9me3) histone
marks by ChIP-seq in the PD-D2 embryonic stage of *B. mori*. We also included H2A.Z, a histone

variant associated with transcriptional control [83], which is enriched in a sub-compartment that
shows an attenuated checkerboarding pattern in the cancer cell line HCT116 [82]. Additionally,
we included H4K20me1, a mark associated with centromeric nucleosomes in vertebrates [84],
as well as a variety of processes including transcriptional regulation, chromosome replication
and segregation, DNA damage response, and chromosome compaction [85,86].

Consistent with the compartmentalization of euchromatin and heterochromatin
observed in other animals, we found that the two checkerboarding clusters were enriched in
active ("compartment A") and inactive ("compartment B") histone marks (Figures 2A, 2C, S3A,
and S3B). The third cluster captured the novel, non-checkerboarding regions. We termed this
cluster "compartment S," reflecting its secluded, spatially segregated behavior observed in
the Hi-C maps. Compartment S displayed an epigenetic signature consistent with silenced
chromatin, though it uniquely differed from compartment B due to its enrichment in
H4K20me1.

Domains, which we define as contiguous segments of the same compartment type, of
A, B, and S are heterogeneous in length and cover different fractions of the genome (Figures
2D, 2E). Overall, A and S domains are smaller, with a median size of 80 kb, while B domains
are generally larger, with a median size of 120 kb. A and B compartments cover approximately
50 and 30% of the genome, respectively, while S covers 15%, with 5% of the genome not
assigned to any of the three clusters. Consistent with our description of *B. mori* linear genome
organization, we found domains of compartment A are also enriched along chromosome
centers, while those of compartment B are enriched along the arms (Figure S3D). Domains of
compartment S are distributed throughout the genome, lacking preferential positioning at
either chromosome centers or arms (Figure S3D and S3C for the distribution of S domains).

We next investigated whether compartment S is distinct from compartments A and B
with respect to genetic features. We found that compartment S, like compartment A, has a
lower GC and transposable element content compared to the whole genome (Figure S3E).
Despite these similarities to A, compartment S corresponds to gene-poor regions and is even
more depleted in genes than compartment B (Figure 2F). However, unlike B, S does not appear
to be a repressive compartment; the expression levels of the few genes that are located within
S are in the range of the genome-wide distribution. Out of the 608 genes within S, about half
(300) are expressed at the PD-D2 stage (TPM > 10) (Figure 2G and Table S3). Gene ontology
analyses revealed genes within S are enriched in DNA-binding and transcription regulation
processes (Table 1). Given that one of the largest S domains in the genome corresponds to the
Hox cluster, which is expressed in the PD-D2 stage, we tested for an enrichment of homeotic
and Polycomb group (PcG) response genes (Figure S4). Using previously published datasets
[87,88], we generated a list of 399 homeotic and PcG response genes in *B. mori* and assigned
them to A, B, or S (Table S4, Materials and Methods). We did not find an enrichment of
homeotic or PcG response genes in compartment S but rather in A (Table S4).

We conclude that *B. mori* chromosomes segregate into three chromatin
compartments. In addition to the well-conserved compartments A and B, *B. mori*
chromosomes contain a third compartment type, compartment S, which has an
unprecedented pattern of contact. S exhibits a unique epigenetic landscape and covers about
one-sixth of the *B. mori* genome at the PD-D2 time point. While S largely encompasses gene-
poor regions, many genes located within S are transcriptionally active.

Compartment S exhibits novel contact patterning and key evidence of loop extrusion activity

To formalize our initially observed contact patterning for compartments A, B, and S,
we calculated the average compartment contact strengths for all domains on the same
chromosome. For A and B, we found enriched homotypic (A-A and B-B) and depleted
heterotypic (A-B) interactions, confirming that A and B are compartmentalized (Figure 2H).
Further, we found that domains of S were depleted in contacts with all other compartments.
These formed smooth lanes of contact depletion, such that A-S, B-S, and S-S (other S domains)
were all depleted at similar strengths (Figure 2H). In stark contrast to this finding, we found
contacts for pairs of loci within the same, contiguous S domain (on-diagonal) were strongly
enriched (Figure 2I). To our knowledge, this unexpected discordance between on- and off-
diagonal Hi-C contacts has not been observed in other organisms, and it raises the question
of whether this pattern arises from a previously undescribed mechanism.

In vertebrates, cohesin extrudes loops resulting in domains of local contact enrichment
known as TADs and decreased compartmentalization [27,32,49,50]. Given both the high contact
enrichment within S domains (Figure 2I) and their lack of checkerboard patterning (Figure 2A
and H), we hypothesized that S domains might represent regions of high loop extrusion
activity. We searched for evidence of loop extrusion activity in the PD-D2 Hi-C data. Key
established indicators of this activity are (1) the shape of the contact frequency $P(s)$ as a
function of genomic separation s [19,27,48,89,90] and (2) the presence of specific Hi-C patterns, such
as insulated domains, dots, and stripes, which also require extrusion barriers [24,26,27,41,91,92].

In the chromosome-wide $P(s)$ curve (Figure 2J), we observe a characteristic "shoulder"
of increased contacts and a corresponding peak in the log-derivative of $P(s)$, which are
indicative of loop extrusion [19,27,48,89,93]. The peak in the log derivative plot represents the
average loop size [48,90], which in this case is approximately 40-60 kb. We next computed these
contact frequency curves separately for continuous segments of each compartment type
(Figure 2J). Consistent with our hypothesis, the $P(s)$ shoulder is most prominent for
compartment S and indicates an average loop size of 40-60 kb. The $P(s)$ curve in compartment
B also suggests some loop extrusion activity, though extrusion in B is likely sparser with larger
loops, as suggested by the smaller height and right-shift of the peak. Analysis of $P(s)$ therefore
indicates that loop extrusion is active in *B. mori* and is enriched in S domains.

In further support of loop extrusion in *B. mori*, we found many genomic regions with
features of barrier-restricted extrusion (dots and stripes). By visual inspection, we often found
such features nested within each other inside and at the edges of S domains (Figure 2K).

The Hi-C data strongly suggests that loop extrusion occurs on *B. mori* interphase
chromosomes and that it is much more prominent in S domains. This preferential enrichment
of extrusion differs from previous observations in vertebrates, which raises the mechanistic
question of whether it is responsible for the nontrivial patterns of S contacts in *B. mori*.

Targeted loading of loop extruders to S domains can reproduce S compartment Hi-C features

Given the novel and stark contact pattern of compartment S (Figure 3A), we employed
polymer modeling to systematically study which mechanisms underlie its formation. We
sought to reproduce the following three Hi-C features that together make compartment S
unique (Figure 3A): (*i*) contacts are enriched within contiguous, on-diagonal S domains (locally
enriched, S_{intra}); (*ii*) each S domain is depleted in off-diagonal, compartment contacts with
other S domains (distally depleted, S-S_{inter}); (*iii*) the depletion of contacts between S domains
and the rest of the chromosome is homogenous (smooth lanes of contact depletion, S-$S_{inter} \approx$

S-A ≈ S-B). These features are the hallmarks of compartment S and have not been previously
observed together or at all.
In addition to its unique loop extrusion activity, we found S exhibits a unique epigenetic
composition, suggesting it may phase separate from compartments A and B. Because loop
extrusion and phase separation independently drive chromatin folding, we asked which of
these processes, either individually or in combination, are responsible for generating S
features. We therefore tested three major classes of mechanistic models (Figure 3B). We first
tested models in which chromatin organization was solely driven by phase separation. We
then tested models with uniform loop extrusion and extrusion barriers at the edges of S
domains, akin to loop extrusion behavior that generates TADs in vertebrates. These first two
classes represent mechanisms of genome folding described in other animals. Finally, we
tested models in which loop-extruding complexes preferentially accumulate in S over A and
B.
We performed polymer simulations for each class of model, using simplified
(chromatin) polymer chains with eight equally sized segments of A, B, and S monomers.
Monomer identity was used to define compartment-specific affinity (ϵ) and loop extrusion
properties (Figure 3B). For each class of model, we tested a wide range of A/B compartment
strengths to recapitulate the A/B compartments observed in the experimental data.
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Phase separation without loop extrusion
We investigated whether affinity-mediated phase separation, which drives the
formation of chromatin compartments, could recapitulate the features of S. Experimental Hi-
C maps revealed clear compartmentalization of A and B regions (i.e. A/B checkerboarding),
whereas S lacked such compartment patterning. This led us to first ask whether S could
emerge if A and B chromatin, but not S, exhibited self-affinity.
To test this in our polymer simulations, we systematically varied per-monomer
homotypic affinities of A-to-A and B-to-B monomers to obtain a broad range of compartment
strengths (Figure 3C). As expected, applying A-to-A and B-to-B affinities produced the desired
checkerboard patterning of A and B compartments, consistent with their phase separation.
However, S also checkerboarded, so none of the simulated models were able to replicate the
distal features of S (features *ii* and *iii*). While we observed a subset of models with on-diagonal
enrichment of S_{intra} contacts (feature *i*), it was always accompanied by off-diagonal enrichment
of S-S_{inter} contacts—contrary to the depletion required for feature *ii*.
To further understand this relationship, we quantified contact enrichment and
depletion from $^{observed}/_{expected}$ (Materials and Methods) Hi-C maps for each model. We assessed
whether the Hi-C maps were consistent with the first two S features (S_{intra} and S-S_{inter}) using
the most lenient criteria: enrichment was defined as an average $^{observed}/_{expected}$ pixel strength
greater than one, while depletion was defined as $^{observed}/_{expected}$ less than one. This analysis
confirmed that none of the phase separation models accurately captured the experimentally
observed features of S. Enrichment of S_{intra} (feature *i*) and depletion of S-S_{inter} (feature *ii*) did
not co-occur because contact enrichment within contiguous domains (S_{intra}, feature *i*) was
correlated with contact enrichment between S domains (S-S_{inter}, opposite of feature *ii*). By
quantifying compartment strength from each Hi-C map (color scale in Figure 3C, right), we
found that both S_{intra} and S-S_{inter} enrichment increased as chromatin compartmentalization
strengthened. As evident in the simulated Hi-C maps, models with sufficiently high A-to-A and

B-to-B affinities to produce A/B checkerboarding always resulted in S-S_{inter} enrichment and S
checkerboarding (Figure 3C, Figure S5A). Together with polymer conformations and the Hi-C
maps (Figure 3C, left), these results indicate that phase separation of A and B chromatin
induces phase separation of S chromatin, even in the absence of S self-attraction.
To confirm that phase separation of S leads to these undesired, conventional
compartment patterns in S (enriched S-S_{inter} and S checkerboarding), we introduced self-
attraction to S monomers and repeated the A-to-A and B-to-B affinity sweep. As expected, S-
to-S self-attraction resulted in increased S_{intra}, S-S_{inter}, and S checkerboarding (Figure S5B). We
therefore conclude that phase separation does not drive S-like organization.
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Uniform loop extrusion with A and B phase separation
Informed by evidence of loop extrusion activity in the PD-D2 Hi-C maps (Figure 2J and
2K), we tested whether loop extrusion plays a role in S compartment formation. Given that
TAD formation via the loop extrusion process results in domain enrichment and compartment
suppression [27,32,49,50], we hypothesized that loop extrusion might promote S_{intra} contacts
(feature *i*, domain enrichment) while suppressing both S-S_{inter} contacts and the checkering of
S (features *ii* and *iii*, compartment suppression). We therefore tested whether S domains are
akin to TADs in vertebrates, formed by uniformly loaded, genome-wide loop extruders that
are stalled by barriers.
In these models, loop extruders randomly bind to the chromatin fiber and
progressively extrude the chromatin polymer into loops. Extrusion proceeds until the extruder
unbinds or stalls. Given the evidence for extrusion barriers in and at the edges of S domains
(Figure 2K), we placed loop-extrusion-stalling sites at the ends of S domains. We then varied
the relevant simulation parameters: A and B homotypic affinities, mean separations between
extruders (d), and extruder processivity (λ, the average loop size extruded by an unobstructed
extruder). We assumed S monomers lacked preferential attractions to other S monomers.
As evident in the resulting contact maps, these models cannot generate S
compartments (Figure 3D, left). We observed on-diagonal extrusion domains in S, with barrier
features visually similar to those in the experimental Hi-C data (feature *i*). However, we did
not observe off-diagonal depletion of contacts (feature *ii*). Like the phase-separation-only
models, this class of models failed to achieve the desired compartment-level organization.
Though loop extrusion counteracted compartmentalization, this antagonistic effect was not
restricted to S; when compartment features (checkering off-diagonal contacts) were
suppressed in S, they were likewise suppressed in A and B. Conversely, when compartment
checkerboarding was present in A and B, it was also present in S.
Similar to the phase-separation-only models, upon quantifying Hi-C contact
enrichments, we found that S_{intra} and S-S_{inter} contacts are highly correlated and are largely
reflective of compartment strength (Figure 3D, right). Consistent with the antagonism
between loop extrusion and compartmentalization, stronger extrusion (smaller separations
and/or larger processivities) demands higher affinities to achieve the same level of
compartmentalization (Figure S5C). While two models narrowly satisfied the quantitative
criteria for features *i* and *ii*, we find that their Hi-C maps visually lacked compartmentalization
of any type (S-S_{inter} ≈ A-A ≈ B-B contacts, all low), as expected for the high density of extruders
(d = 50 kb) (Figure 3D, left). We conclude that the uniform loading model is unable to reliably

generate S compartments. Therefore, the presence of S features strongly indicates that some aspect of the loop extrusion process in *B. mori* differs from that of vertebrates.

Loop extrusion with targeted loading in S and A/B phase separation

To preferentially suppress compartmentalization of S (off diagonal S features - *ii* and *iii*) while preserving them in A and B, we hypothesized that loop extrusion may be targeted to S. We therefore tested a new class of models in which loop extruders were more likely to load in S than in A and B, resulting in lower mean separation of extruders in S (d_S) than in A and B ($d_{A\&B}$). Our hypothesis of more extruders in S would lead to smaller loops in S, consistent with our observations from the Hi-C data (Figure 2J).

Models with targeted loading to S reliably produced S-like features in their Hi-C maps, unlike the previous two classes of models. Weak extrusion in A and B allowed A/B compartments to form, while strong extrusion in S both compacted S domains (S_{intra} enriched, feature *i*) and inhibited S-S_{inter} compartment contacts (feature *ii*) (Figure 3E, left). Additionally, Hi-C maps with weaker extrusion in A and B had smoother lanes of S depletion (feature *iii*).

Analyzing the Hi-C maps quantitatively showed that targeting loading of extruders to S alters the balance between S_{intra} and S-S_{inter} contacts (Figure 3E, right). As extrusion in A and B weakened ($d_{A\&B}$ increased, increased relative targeting), both features *i* and *ii* began to look more S-like: S_{intra} enrichment strengthened (gain of feature *i*) and distal S-S_{inter} enrichment was lost (gain of feature *ii*). Therefore, unlike the phase-separation-only and uniform loop extrusion models, targeting extrusion to S domains both compacts S and secludes them from contacting each other.

Additionally, models with stronger targeted loading produced S features more robustly. First, decreasing extrusion in A and B (increasing $d_{A\&B}$) allowed features *i* and *ii* to co-exist across a broader range of compartment strengths (Figure 3F). Furthermore, S features persist upon the introduction of S-to-S affinity comparable to those of A-to-A and B-to-B (Figure S5D).

We next measured feature *iii* as the standard deviation of average $^{observed}/_{expected}$ S-A, S-B, and S-S_{inter} contact frequencies. Smoother lanes of depletion (off-diagonal S contacts) result in smaller standard deviations. In the uniform loading model, once compartment features began to emerge (compartment strength > 0.1), the standard deviation increased (feature *iii* disappeared), indicating a less smooth pattern of inter-compartmental contacts. However, as extrusion in A and B decreased (more targeted loading, i.e. $d_{A\&B}$ increased), higher compartment scores could be tolerated before S smoothness was lost. We found that the gain in smoothness (small standard deviation) due to targeted loading is largely driven by the suppression of S-S_{inter} (feature *ii*) as well as additional contributions from A/B compartmentalization (Figure S5E).

Thus, preferential loading of loop extruders to S in combination with self-affinities of A and B reliably produces the patterns of *B. mori* Hi-C maps. The latter compartmentalize the genome, while loop extrusion targeted to S generates the unique features of S compartments.

The different features of S rely on distinct aspects of targeted extrusion and compartmentalization

To understand how these principles generate the specific folding patterns of *B. mori* chromosomes, we developed a quantitative chromosome-scale model employing the principles from the minimal model study. Focusing on a 6.5 Mb segment of chromosome 15

(Figure 4A), we assigned compartment identities to the simulated chromosome based on

those from the PD-D2 Hi-C maps. To compare models to experimental Hi-C, we computed

$^{observed}/_{expected}$ contact enrichments between all types of compartments, partitioning S-S

contacts into S-S$_{inter}$ and S$_{intra}$. Models varied in five parameters: A-to-A affinity, B-to-B affinity,

extruder processivity (λ), the average separation between extruders inside S (d_S), and the

average separation between extruders outside of S (inside A and B regions, $d_{A\&B}$).

We first reaffirmed our key findings from the minimal model that neither phase

separation alone (Figure 4B) nor with uniform extrusion (TAD-like) (Figure 4C) can generate

secluded S domains. For phase separation-only models, we varied A and B homotypic affinities

in the absence of loop extrusion, but this did not produce the desired combination of S$_{intra}$

(feature *i*) and S-S$_{inter}$ values (feature *ii*) (Figure 4C). With uniform extrusion, we similarly could

not reproduce features *i* and *ii* quantitatively, regardless of processivity (λ) or extruder density

(d_S) (Figure 4C). For the targeted loading models, some, but not all, models quantitatively

reproduced experimental values for features *i* and *ii*. We noticed that different aspects of

extrusion dynamics influenced either feature *i* or feature *ii* (Figure 4D). Specifically, the *relative*

abundance of extruders in S versus A and B ($d_{A\&B}/d_S$) appeared to have a strong effect on

feature *i*. Likewise, the overall abundance of extruders in S (separation in S, d_S) influenced

feature *ii* (Figure 4D, arrows). These observations prompted us to more deeply investigate

how different parameters of our model control the different features of S.

We first asked how such strong domains of S$_{intra}$ contacts (feature *i*) arise from targeted

loading. We systematically varied processivity (λ), mean extruder separation in S (d_S), and

mean separation in A and B ($d_{A\&B}$) independently. Consistent with Figure 4D, our simulations

revealed that feature *i* is driven by the *relative* abundance of loop extruders in S ($d_{A\&B}/d_S$) and

is insensitive to processivity (Figure 4E). For a given set of compartment affinities (A-to-A

affinity = 0.12 kT, B-to-B affinity = 0.04 kT), achieving the desired level of relative compaction

(S$_{intra}$ = 1.78, feature *i*) required extruders to be approximately ten-fold more abundant in S

compared to A and B (i.e., $d_{A\&B}/d_S \approx$ 10-15, Figure 4E). Increasing A/B compartment strength

allowed relative abundance in S to decrease slightly to achieve the desired S$_{intra}$ enrichment

($d_{A\&B}/d_S \approx$ 5-10, Figure S6A). This suggests that S compaction results from substantial

recruitment of extruders to S, comparable to targeted cohesin loading in other contexts [43].

We next uncovered that S-to-S compartment attenuation (feature *ii*) is predominantly

controlled by the overall abundance of extruders in S (d_S) (Figure 4F). This contrasts with

vertebrates, where extrusion modulates compartment strength by both extruder processivity

(λ) and separation (d). Because S domains are small (median 75 kb for our simulated region),

even modest extruder processivities ($\geq$ 56 kb) generate high loop coverage in S (Figure S6B).

Therefore, extruder abundance governs S compaction (Figure S6C) and in turn S-S$_{inter}$ seclusion

(Figure 4F). To generate distal S-S$_{inter}$ depletions similar to those measured in the Hi-C, the

abundance of extruders in S must be high (small d_S). Based on the modeled region, where the

experimentally measured $^{observed}/_{expected}$ S-S$_{inter}$ depletion (feature *ii*) is 0.7, we estimate

extruder separation (d_S) is 20-40 kb (Figure 4F). A precise estimate depends on the strength

of A/B compartmentalization, as stronger compartmentalization can promote S-S$_{inter}$ contacts

(i.e., loss of feature *ii*, Figure S6D).

We next sought to explain the most notable feature in *B. mori* Hi-C maps: S smoothness

(feature *iii*). For smooth lanes of contact depletion, S must be similarly depleted in contacts

with A, B, and other S domains. While S-S_{inter} depletion (Figure 4F) is primarily controlled by
extrusion in S (d_S), loop extrusion in S has only a minor effect on S-A and S-B contacts (Figure
S6E). Rather, S-A and S-B contacts are predominantly controlled by A and B phase separation:
loss of S-A and S-B contacts reflect the demixing (phase separation) of A and B, respectively
(Figure S6E). Therefore, to achieve similar levels of S-A and S-B contacts, the level of phase
separation of A and B must be approximately equal (i.e. $^{observed}/_{expected}$ A-A contacts ≈
$^{observed}/_{expected}$ B-B contacts). Additionally, when A/B compartmentalization strengthens,
smoothness is also lost because S-S_{inter} increases. Therefore, A/B compartmentalization must
be low to maintain smoothness (Figure 4G, Figure S6E and S6F).

We find *B. mori* chromatin organization arises from a unique interplay of multiple
parameters, allowing us to estimate model parameters (d_S, $d_{A\&B}/d_S$, A-to-A, and B-to-B
affinities) from the different Hi-C features of S (Figures 4E-G). To develop a quantitatively
accurate *B. mori* chromosomal model, we integrated our estimates and insights from Figures
4E-G, sweeping over estimated extrusion and compartment parameters. Models with high
levels of targeted extrusion (such as d_S = 19 kb, $d_{A\&B}$ = 190 kb; $d_{A\&B}/d_S$ = 10) and equally modest
A and B compartmentalization reproduced Hi-C maps qualitatively and $^{observed}/_{expected}$
enrichments quantitatively (Figures 4H, 4I). Other successful models also had these
characteristics (Figure 4I). As predicted, models with any parameter outside of estimated
ranges (increasing d_S, reducing $d_{A\&B}$, high or unequal A-A and B-B contact strength)
systematically caused models to fail.

Our models reveal a previously uncharacterized interplay of loop extrusion and
chromatin compartmentalization in shaping the genome. Loop extrusion in *B. mori* is targeted
to S domains, which leads to higher S compaction and suppression of (off-diagonal)
compartment contacts between S. Together, these mechanisms generate the striking
chromatin contact patterns that dictate 3D genome architecture. We next used our *B. mori*
chromosomal model to make predictions on spatial localization.

S domains are preferentially found on the surfaces of chromosome territories

The spatial partitioning of active and inactive chromatin within the nucleus has
previously been attributed to conventional compartmentalization [33]. We asked whether the
seclusion of compartment S confers distinct spatial positioning using our best-performing
model of chromosome 15 (Figure 4H). By analyzing the radial positioning of A, B, and S, we
found a strong preference for S domains to localize to the periphery of chromosome territories
(CTs) (Figures 5A, 5B). A and B both showed preference for localizing to the center of the
territory, with A being more centrally biased. When compared to an analogous model without
extrusion, S was more interspersed throughout the territory. Models with higher targeting of
extrusion to S (no loading in A and B) showed even stronger radial preference of S. Therefore,
our models predict that extrusion in S modulates its spatial localization, biasing it to the
periphery of CTs.

To test these findings, we used Oligopaint FISH to label portions of single A, B, or S
domains as well as the whole CTs for Chr04, Chr17, and Chr23 in embryonic nuclei (Figures 5C,
S7B and S7C). Shell analysis (Material and Methods) revealed that S domains are more likely
to occupy peripheral CT shells compared to A and B domains (Figure 5D). In addition,
measuring the distance from the domain center to the CT edge showed that S domains are

closer to the CT edge than A or B domains for all chromosomes and loci analyzed (Figure S7D). These observations were confirmed by additional experiments with super-resolution microscopy (Figure S7E and S7F).

Although inter-chromosomal contacts were sparse in the Hi-C data, we asked whether this peripheral localization could influence the average contact frequency among S domains in *trans*. Therefore, we computed the average *trans* $^{observed}/_{expected}$ contacts between each compartment type (Figure 5E). We found that the average value of S-S$_{inter}$ *trans* contacts is higher compared to any other combination in *trans*, and, in particular, A-A and B-B contacts. This is consistent with the preferential positioning of S towards the periphery of CTs, a favored location for *trans* contacts.

Our DNA FISH reveal S domains are preferentially located at the CT peripheries, which is further supported by the Hi-C. Our modeling indicates that this may be caused by a previously unknown effect of loop extrusion: its ability to influence the spatial positioning of chromatin in the context of its chromosome territory.

Compartment S changes during development

Taking advantage of our Hi-C datasets from different developmental stages, including three embryonic stages and one adult stage, we next explored the developmental dynamics of compartment S. Based on initial visual inspections, we could identify domains switching to or from S on multiple chromosomes between timepoints (see examples in Figure S8A). To test the dynamics of S compartment switching more systematically, we repeated the compartment calling protocol for the adult stage (Adult Heads, AH). We found that a comparable fraction of the AH genome (12%) folds into compartment S, compared to the PD-D2 embryonic stage (Figure S8B). Nevertheless, several embryonic S domains visually show checkerboard patterning in the AH Hi-C maps, including three of the largest S domains on Chr06 and Chr23 (Figures 6A and S8C). To compare the two datasets further, we restricted our analyses to large (>200 kb) domains to allow for visual confirmation of compartment assignment based on the Hi-C contact pattern. We found that about 45% of S domains defined in the PD-D2 embryonic stage are maintained in the AH (referred to as S->S) (Figure 6B). This fraction is much lower compared to that of the A or B domains. Large S domains that change compartment assignment in the AH exclusively turn into B domains (referred to as S->B). Notably, this change coincides with a significant reduction in gene expression levels (Figures 6C and S8D). The Hi-C contact maps at S domains that turn into B show a loss of features associated with loop extrusion, including insulation points and off-diagonal dots (Figures 6A and S8C). Weakening of insulation is also evident when comparing pileup contact enrichments of boundaries called within large S domains that are maintained (S->S) or lost (S->B) in the AH data (Figure 6D). The loss of extrusion features and intra-domain compaction, together with the increased checkerboard patterning of S domains that turn into B, are consistent with our model that targeted loop extrusion underlies the spatial segregation of compartment S by counteracting compartmentalization.

To test whether the change in compartment identity also translate to a change in domain position within CTs, we took advantage of the fact that one of the three S domains that we chose for Oligopaint FISH analyses turned into B in the AH Hi-C dataset. Consistent with the change in compartment identity, super-resolution microscopy revealed that the

same region on Chr04 localizes more internally in its CT in nuclei of the adult *B. mori* head compared to embryos (Figure 6E and F). In contrast, a B domain used as a control remained unchanged between the two stages (Figure S8E and F). These results were further validated using wide-field microscopy, labeling A, B, and S domains as well as the entire CT on Chr04 in AH. Notably, in AH cells, the S domain that transitioned into B no longer exhibited a tendency to be positioned closer to the CT periphery (Figure S8G and H). The developmental dynamics of several S domains argue against a strict genetic specification of compartment S but rather support the presence of epigenetic features involved in its formation.

Discussion

Our investigation of *B. mori*'s genome organization reveals both conserved principles and novel genome-folding behaviors. As seen in other eukaryotes, we observe the formation of CTs and spatial segregation of chromatin into active A and inactive B compartments. However, unlike other eukaryotes, we have observed much stronger chromosome territoriality and a novel type of compartment, S, which lacks the characteristic checkerboarding of A/B compartments and appears to be rich in loop extrusion activity. Our modeling indicates that a unique interplay of chromatin compartmentalization and loop extrusion may drive the formation of these spatially secluded domains that appear to change throughout development.

The remarkably strong CTs and the low frequency of inter-chromosomal contacts are consistent with a recent whole-chromosome Oligopaint study of six *B. mori* chromosomes, which likewise revealed highly spatially distinct CTs [73]. Folding, volume, and intermixing of CTs have been associated with condensin II [64,94]. Condensin II subunits are present in the *B. mori* genome [95,96] and it would be interesting to evaluate whether the substantial degree of territoriality is caused by uniquely high activity of condensin II in *B. mori*. CT strength is also intriguing from an evolutionary point of view. Previous studies in *D. melanogaster* cell lines [97] and across human cancers [98] have described an inverse relationship between the frequency of inter-chromosomal contacts and the incidence of genomic translocations. Interestingly, karyotypes and synteny are highly conserved across Lepidoptera, including *B. mori*. We therefore hypothesize that the pronounced CTs may contribute to low structural variation and high karyotype conservation in these organisms by preventing structural rearrangements during mitotic divisions of cells destined to form the future germline.

The presence of compartment S, with domains that strongly self-interact but segregate from the rest of their chromosome, is remarkable. To our knowledge, there is no precedent for a compartment with contact or epigenetic profiles similar to compartment S. While other compartment types beyond A and B have been detected [40,82,99], they typically represent sub-types of A and B and show preferential homotypic contacts [82]. Although the previously described "intermediate" compartment I [27,100,101] shares some characteristics with compartment S, such as H3K27me3 enrichment and developmental plasticity, they differ in their most prominent features. Compartment I is *enriched* in contacts with A, B, and I. A recently identified sub-compartment in HCT116 cells, termed B_0 [82], likewise displays relatively low levels of compartment contrast (i.e., its compartments are smoother and they checkerboard less than other compartment types), though it does preferentially interact with

other B_0 domains. Domains of compartment S, in contrast to I or B_0, are homogenously
depleted in contacts with any other domain. This pattern, plus their gene composition and
distinct epigenetic makeup, make S unique compared to any previously identified chromatin
structure.

The formation of compartment S appears to require an interplay of mechanisms,
distinct from any other described organism. While conventional compartmentalization is
believed to rely on affinity between regions that share epigenetic composition [102], we show
that affinity-mediated phase separation cannot lead to the formation of compartment S.
Instead, we propose that compartment S is formed by loop extrusion activity targeted to S
domains. Targeting extrusion to S domains selectively compacts them and suppresses their
compartmentalization. This loop extrusion behavior is different than in vertebrates, where
loop extruding cohesin (during interphase) and condensin (in metaphase) are believed to load
mostly uniformly across the genome, without preference for a specific compartment type [28,82].
Such localization of extruders to many broad epigenetic domains (tens to hundreds of kb each)
has not been identified in other systems.

Targeted SMC loading to certain genetic elements is well-described across various
biological systems. In the bacterium *B. subtilis*, condensins are loaded at *ParS* sites by the ParB
DNA-binding protein [103,104]. In yeast, it has been suggested that sequence context antagonizes
SMCs from centromere binding [105]. In *C. elegans*, direct loading of condensin^{DC} to specific
sequences (rex sites) direct the SMC-containing dosage compensation complex to the sex
chromosome [65,106]. Most recently, targeted loading of SMCs to enhancers has been shown to
form fountains or jets in Hi-C maps in *C. elegans* [44,47] and vertebrates [42,43,107]. Such targeted
loading in these systems may be guided by differences in DNA accessibility, sequence-specific
DNA binding proteins [103,104], or via enhancer-specific histone marks [42,43,107]. We speculate that
such factors may target loop-extruding complexes to compartment S in *B. mori*.

In the context of targeted loading of SMC complexes, the enrichment of H4K20me1 in
compartment S is interesting. In *C. elegans*, it has been shown that the SMC-based dosage
compensation complex enriches H4K20me1 on the inactive sex chromosome by means of a
condensin-associated demethylase [86]. H4K20me1 is likewise deposited during the process of
silencing and compacting the X chromosome in mice [108]. Compartment S shares similarity to
inactivated sex chromosomes by virtue of being locally compacted and isolated from the rest
of the genome, while it is distinct from inactivated sex chromosomes by virtue of its
permissiveness to gene expression. Whether enrichment of H4K20me1 aids in chromatin
compaction, and what its relationship is to loop extrusion, is unclear for *B. mori*.

In addition, our analyses also support a previously unknown consequence of loop
extrusion. Not only does loop extrusion activity lead to the formation of dense and secluded
S domains, but it also drives their peripheral localization within CTs. This effect of loop
extrusion is a novel finding, raising the possibility that loop extrusion may similarly affect large-
scale spatial organization in other organisms or contexts. The underlying physics by which
extrusion can achieve this architecture is yet to be understood.

The function of compartment S and the role of loop extrusion there remain intriguing
questions. First, in view of the holocentric architecture of *B. mori* chromosomes, we consider
the possibility that compartment S is involved in centromere specification to be unlikely. This
conclusion is guided by our previous findings in *B. mori* cell lines showing that kinetochore
assembly occurs in regions anticorrelated with transcriptionally active chromatin [109] - an
epigenetic landscape that is more consistent with compartment B than S. Instead, the isolated
genomic environment of S domains might ensure the precise transcriptional regulation of the

genes that they contain. Our finding that S-located genes are functionally enriched in
transcription-related processes might suggest that S represents a developmental transition
state to either A or B, as hypothesized for compartments I and B_0 [82,100,101]. Such a model is
supported by the observation that many S domains are variable among different
developmental stages. Furthermore, S domains may represent development-control units,
such as the Hox cluster, which comprises a large S domain in *B. mori* embryos (Figure S4). By
analogy to the Hox cluster, where loop extrusion appears to be key to the precise sequence
of gene activation [110], compartment S may recruit a high density of extruders to achieve
precisely timed activation of genes during development. Our observation of developmental
plasticity of S domains supports this hypothesis.

In summary, our study describes the unique genome organization of *B. mori.* This non-
model organism has an exceptional degree of chromosome territoriality and reveals a striking
new genome folding structure. Our modeling indicates that this novel structure, compartment
S, can be formed by loop extrusion targeted to a specific chromatin type. Genome
organization in *B. mori* thus demonstrates that the interplay of two major genome-folding
processes, loop extrusion and compartmentalization, can generate unique and unexpected
patterns. These findings open a new line of questions for how evolutionarily conserved
mechanisms may interact differently in different organisms, as well as how changes in the
epigenetic landscape during development can guide loop extrusion to reshape 3D genome
architecture.

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Figure 1

Figure 1: **Hi-C of *Bombyx mori* embryos reveals highly distinct chromosome territories**.

(**A**) Schematics of *B. mori* chromosomes drawn to approximate scale indicated in Mb below. For each chromosome, total GC content in percentage is noted, and local GC content per 100 kb windows is indicated as a color scale from blue (<20%) to red (>60%). A suffix "c" added to a chromosome's name indicates assembly corrections were made (Figure S9). (**B**) Box plots showing the distribution of GC content, TE coverage, and gene density per 100 kb window in center and arm regions of autosomes in *C. elegans* and *B. mori*. Statistical significance was tested using a Mann-Whitney U-test, **: P-value < 0.05, ***: P-value < 0.005. Box region corresponds to data between the first and third quartile. Lines indicate medians of respective distributions, while crosses correspond to their means. Whiskers extend to the lowest and highest data points, excluding outliers, which are shown as dots. (**C**) Sample generation for Hi-C and ChIP-Seq. (**D**) Contact map at 80 kb bin resolution of five selected *B. mori* chromosomes (*on top*). (**E**) Average inter-chromosomal (*trans*) $^{observed}/_{expected}$ matrix for all scaled *B. mori* chromosomes, computed at 40 kb bin resolution. (**F**) Heatmap illustrating $^{observed}/_{expected}$ inter-chromosomal contact frequencies as a divergent color scale from blue to red. Chromosomes have been clustered and ordered to reflect similar contact patterns.

Figure 2

A Chr21

I. Checkerboarding region

II. Non-checkerboarding region

Comp. A, Comp. B, Comp. S, Genes, Expression (norm. counts), H3K36me3, H3K4me3, H3K27me3, H3K9me3, H4K20me1, H2A.Z

PC1, PC2, PC3

B Chr19c

Centroid:
Cluster A
Cluster B
Cluster S

C

	Active histone marks				Inactive histone marks	
A	2.36	2.99	1.36	1.27	0.69	1.08
B	0.84	0.83	0.96	0.88	1.10	0.96
S	0.81	0.82	0.78	1.33	1.17	0.94
	H3K36me3	H3K4me3	H2A.Z	H4K20me1	H3K27me3	H3K9me3

D Compartment size distribution

n=1138 n=1142 n=441

E Genome-wide coverage

S 15.5%
B 53.8%
A 30.7%

F Gene coverage

G Gene expression

H Average contacts cis off-diagonal (inter-domain)

I Average contacts cis on-diagonal (intra-domain)

A   B   S

J Chromosome-wide, A, B, S

K Chr10   Chr16   Chr22

Figure 2: **Hi-C compartment analysis reveals a novel and secluded chromatin folding structure**

(**A**) *Left*: top diagonal represents the iterative-corrected Hi-C contact map of Chr21 at 40 kb bin resolution, and bottom diagonal is the corresponding Pearson correlation matrix. Below the matrix are the gene track (black), color boxes indicating the locations of domains of compartment A (orange), B (turquoise), and S (purple) and tracks of the first three principal components (gray) computed from the correlation matrix. *Right*: close-up on regions highlighted on the left, I: checkerboarding region, II: non-checkerboarding region. Below matrices are tracks for compartments and genes as in the left as well as corresponding RNA-seq at 1 kb resolution and ChIP-Seq tracks for various histone marks at 25 bp resolution. (**B**) Example of clustering along PC1 and PC2 of Pearson correlation matrix for Chr19c. Clusters called using k-means function of scikit-learn are shown in different colors. For each cluster, the centroid and the corresponding assignment to A, B, and S compartments is indicated. (**C**) Heatmap showing genome-wide enrichment of assayed histone marks across compartment A, B, and S. Enrichment values correspond to median of IP/input ratios at 40 kb resolution normalized to the genome-wide median for each mark. (**D**) Box plots showing the size distribution of A, B, and S domains. Boxed regions correspond to data between the first and third quartile. Lines indicate the medians of respective distributions, while crosses correspond to their means. Whiskers extend to the lowest and highest data points, excluding outliers, shown by dots. (**E**) Bar graph showing relative genomic coverage of A, B, and S. (**F**) Box plots showing distribution of gene coverage per 40 kb window of the whole genome (n = 11,143) or within A (n = 3,294), B (n = 5,772), and S (n = 1,670). Line indicates median of distribution while cross corresponds to mean. Whiskers extend to lowest and highest data points, excluding outliers, which have been removed. All distributions in each compartment for all features are significantly different from each other and from the genome-wide distribution by the Mann-Whitney (95%, two-tailed) U-test. (**G**) Box plots showing range of gene expression (in TPM) (whole genome: n = 13,869, in A: n = 7,404, in B: n = 4,500, in S: n = 608). (**H**) Average *cis* off-diagonal (inter-domain) $^{observed}/_{expected}$ contact enrichment plots (log scale) within and between all rescaled A, B, and S compartments. (**I**) Rescaled average *cis* on-diagonal (intra-domain) $^{observed}/_{expected}$ contact enrichments (log scale) for the three compartment types. (**J**) *Top:* Contact probability as a function of genomic distance, P(*s*), curve for the PD-D2 Hi-C data (*s*). *Bottom*: Log-derivative of contact probability as a function of genomic distance. Curves represent averages of either chromosome-wide (gray) or for contiguous segments of a given compartment type (colored). Estimates of the average loop size in S (ℓ_S) and in B (ℓ_B), corresponding to the peaks in the log-derivative curves, are labeled on the x-axis. (**K**) Regions of the PD-D2 Hi-C maps (top diagonal) along with the corresponding Pearson correlation matrix (bottom diagonal) displaying characteristic features of loop extrusion at 5 kb resolution, with compartment and gene tracks below.

Figure 3

Figure 3: Mechanistic polymer modeling reveals S chromatin organization can arise from targeted loop extrusion in S chromatin but not from other known genome folding mechanisms.

(**A**) Hi-C map and sub-compartment annotations highlighting the three distinct features of S compartments: *i*) on-diagonal contact enrichment within S domains, *ii*) off-diagonal contact depletion between different S domains, and *iii*) smooth depletion of contacts between S and the rest of the chromosome. Hi-C data corresponds to chromosome 22: 11,625,000-18,435,000 from PD-D2 samples mapped with distiller (see Methods). (**B**) Illustration of the approach to testing different mechanistic models of S compartment formation. Polymer segments are assigned to compartments A, B, or S, which specifies their pairwise affinities. One model without loop extrusion and two models with loop extrusion are considered. Simulations are evaluated based on whether their contact maps display features *i*, *ii*, and *iii*. Compartment strength is also measured. (**C**) Three-species phase separation modeling results. *Left*: sampled conformations and corresponding Hi-C maps of chromosome models with increasing phase separation driven by increasing both A-A and B-B affinities, ϵ_{A-A} and ϵ_{B-B} (from left to right). *Right*: scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* for all simulated A-to-A and B-to-B affinities. Purple boxed region reflects the broadest value range for S-like features. Data points corresponding to chromosome models shown on the left are circled in the scatter plot. (**D**) Phase separation and uniform loop extrusion with barriers modeling results. *Left:* Hi-C maps of models with increasing chromosome-wide separation, d, of loop extruders. Phase separation was induced in all maps on the left by setting $\epsilon_{A-A} = \epsilon_{B-B} = 0.05$ kT. *Right:* scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* for models varying in extruder separations, A-A, and B-B affinities, with points colored by compartment strength as in (**C**). For all models shown, processivity was fixed to 100 kb and S-to-S affinity, ϵ_{S-S}, set to 0.0 kT. (**E**) Phase separation and loop extrusion with targeted loading to S modeling results. *Left*: Hi-C maps of models with increasing separation of loop extruders in A and B ($d_{A\&B}$), while extruder separation in S (d_S) was fixed at 50 kb. Phase separation was induced in all maps on the left by setting $\epsilon_{A-A} = \epsilon_{B-B} = 0.05$ kT. *Right*: scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* for a range of A-to-A and B-to-B affinities and separations in A and B ($d_{A\&B}$), with d_S fixed to 50 kb. Data points sharing $d_{A\&B}$ (i.e. varying ϵ_{A-A} and ϵ_{B-B}) were connected by line, with the value of $d_{A\&B}$ reflected in line thickness. The line corresponding to $d_{A\&B} = 50$ kb reflects the uniform loading scenario. (**F**) Impact of S-targeted extruder loading on the smoothness of S compartment contact depletion (feature *iii*). Smoothness was computed as the standard deviation of mean observed/expected S-A, S-B, and S-S$_{inter}$ contacts, with lower y values corresponding to smoother compartment patterning. Data points with compartment strengths of approximately 0.4 are circled and corresponding Hi-C maps are shown in the insets. Separation in S (d_S) was fixed at 50 kb.

Figure 4: Chromosome-scale polymer modeling reveals how different features of S arise

(**A**) Approach to generating chromosomal polymer models of *B. mori*. Locus corresponds to chromosome 15: 0-6,500,000 mapped with distiller (see Methods). Polymer segments are assigned to compartments A, B, or S based on sub-compartment assignments of the region. Simulations are performed for three different phase separation and/or extrusion models. $^{Observed}/_{expected}$ contact enrichments are computed for different intra- and inter-compartment interactions for comparison to the experimental Hi-C data. (**B**) Scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* from chromosome-scale polymer modeling of three-species phase separation and no loop extrusion over a range of different A-to-A and B-to-B affinities. The corresponding S_{intra} and $S-S_{inter}$ values from chromosome 15: 0-6,500,000 of the PD-D2 Hi-C data are shown as a purple x. (**C**) Scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* from chromosome-scale polymer modeling of three-species phase separation and loop extrusion with uniform loading for two different separations, d = 19 or 190 kb, and two processivities, λ = 19 and 190 kb, over a range of A-to-A and B-to-B affinities and extrusion processivities. (**D**) Scatter plot of $^{observed}/_{expected}$ contact enrichments of S features *i* and *ii* from chromosome-scale polymer modeling of three-species phase separation and loop extrusion with targeted loading to S for two different d_S and $d_S/d_{A\&B}$ ratios over a range of different interaction affinities. (**E**) $^{Observed}/_{expected}$ contact enrichments of S_{intra} plotted as a function of relative abundance of loop extruders ($d_{A\&B}/d_S$) for a series of chromosome models with λ, d_S, and $d_{A\&B}$ varied. The experimental value of S_{intra} is shown as a purple line. A-to-A and B-to-B affinities were fixed at 0.12 and 0.04 kT, respectively. (**F**) $^{Observed}/_{expected}$ values of $S-S_{inter}$ plotted as a function of separation between loop extruders in S (d_S) for a series of chromosome models. Each curve represents a series of models, which share loop extruder processivity. All models lacked extrusion in A and B chromatin and shared homotypic attractions of ϵ_{A-A} = 0.12, ϵ_{B-B} = 0.04, and ϵ_{S-S} = 0.00 kT, to yield an A/B compartment strength similar to that observed in the experimentally generated PD-D2 Hi-C maps. The experimentally measured value of $S-S_{inter}$ is shown as a purple line. (**G**) S compartment smoothness plotted as a function of compartment strength. Simulations varied in ϵ_{A-A}, ϵ_{B-B}, λ, d_S, and $d_{A\&B}$. Smoothness was computed as the standard deviation of $^{observed}/_{expected}$ S-A, S-B, and $S-S_{inter}$ contacts. The experimentally measured value of S smoothness from the PD-D2 maps is shown as a purple line. (**H**) Comparison of the experimental data for chromosome 15: 0-6,500,000 (mapped with distiller) versus the best polymer model (ϵ_{A-A} = 0.16 kT, ϵ_{B-B} = 0.08 kT, ϵ_{S-S} = 0.00 kT, λ = 55 kb, d_S = 19 kb, $d_{A\&B}$ = 190 kb). *Left:* Experimentally generated Hi-C (*top, right half of the map*) versus the *in silico* generated Hi-C map from the best model (*bottom, left half of the map*). *Right:* Summary statistics ($^{observed}/_{expected}$ off-diagonal compartment and on-diagonal S_{intra} enrichments) for the experimentally generated data (*left*) and best model (*right*). (**I**) Parameter values for extruder properties (*left*) and homotypic A-to-A and B-to-B affinities (*right*) of the successful models, sorted by rank of their mean square error of their summary statistics compared to those of the experimental data. All models lacked S-to-S affinities.

Figure 5

Figure 5: **Compartment S is peripherally located within chromosome territories, with modeling indicating a role for loop extrusion in this positioning.**
(**A**) Example conformations for three models of chromosome 15, with the top row's renderings reflecting the entire spherically confined simulation and the bottom row's renderings representing cross sections through the center of the sphere. Each column represents a model introducing a new source of organization to the chromosome; (*left*) a rendering of a phase-separation-only model ($\epsilon_{A\text{-to-}A}$ = 0.16 kT, $\epsilon_{B\text{-to-}B}$ = 0.08 kT, $\epsilon_{S\text{-to-}S}$ = 0.00 kT); (*middle*) a rendering of the same compartment model with loop extrusion within S only (λ = 55 kb, d_S = 19 kb); (*right*) a rendering of the same compartment model as the far left but with different loop extruder separations in S versus A and B (λ = 55 kb, d_S = 19 kb, d_{AB} = 190 kb; the best model from the previous section). (**B**) Relative monomer densities for A, B, and S monomers for the three models detailed in Panel 5A. (**C**) Four-color Oligopaint FISH labeling single A (red), B (green), and S (purple) domains as well as the corresponding CT (white). *First column*: Oligopaint labeling of domains, with white dashed lines indicating CT edges. *Second column*: Oligopaint labeling of domains merged with Oligopaint labeling of CTs. *Third column*: zoom-in views corresponding to boxes traced in column two. *Fourth column*: 3D rendering of zoomed CT from TANGO [91]. Microscope images are Z projections of 10 Z stacks. The background in the CT channel acts as a proxy for the nuclear edge. (**D**) Shell analysis measuring compartment foci positions within their CTs for Chr04, 17, and 23. The location of Oligopaint FISH probes within the chromosome is shown above each plot. Dots indicate means of 3 biological replicates (different embryos, n > 250 nuclei). Error bars show standard error of the mean. P-values were generated from unpaired t-test (Kolmogorov-Smirnov test) between distributions and are indicated at the bottom left of each graph. (**E**) Average $^{observed}/_{expected}$ *trans* (inter-chromosomal) contacts within and between all A, B, and S compartments.

Figure 6

<u>Figure 6</u>: Compartment S changes during development.
(**A**) Hi-C contact maps of the full Chr23 at 40 kb resolution and Chr23:3,000,000-80,000,00 region at 10 kb resolution in PD-D2 embryos on the left and in adult head (AH) on the right. Below or above each matrix are gene locations, RNA-seq expression aggregated at 1 kb resolution and compartments A, B, and S assignments, for the corresponding stage and region. (**B**) Compartment assignment in AH datasets of large domains (>200 kb) assigned to large compartment A, B, or S in PD-D2, in % of the compartments assigned in PD-D2. (**C**) Box plots of distributions of $\log_2$ ratio of gene expression (TPM) between PD-D2 embryos and AH. In purple is the distribution for genes that are in domains assigned to compartment S in the two stages (S→S) (n=119), and in green is the distribution for genes that are in region assigned to compartment S in PD-D2 and that switched to B in AH (S→B) (n = 120). Boxed region corresponds to data between first to third quartile. Line indicates median of distribution while cross corresponds to mean. Whiskers extend to lowest and highest non-outlier data points, and dots outside correspond to outliers. Asterisks indicate distributions significantly different by Kolmogorov-Smirnov test (*: P-value = 0.01 - 0.05). (**D**) Pileup plots centered on internal insulation points within all large S compartment domains (>200 kb, excluding 40 kb on each side of domain boundaries) in AH or S→S and S→B categories, as described in the right panel of (B), at 5 kb resolution and extending to 30 kb on each side. (**E**) Two-color STED labeling chr04 CT and single S domain in cells from PD-D2 embryos (left) or adult heads (right). Chr04 is shown in blue, and the S compartment domain is shown purple. Dashed line indicates nuclear edge as determine by confocal microscopy**.** (**F**) Shell analysis measuring S domain positions within Chr04 in embryos (blue) and adult heads (tan). Mid line = average of 2-3 biological replicates (n>30 nuclei each). Error bars (light shading) show standard error of the mean. P-values were generated from unpaired t-tests (Kolmogorov-Smirnov tests) between distributions and are indicated at the bottom right of the graph.

Table 1: Molecular Function enrichment of *B.mori* genes in S.

Pathway	GO ID	Enrichment FDR	Number of genes in category	Total number of pathway genes	Fold Enrichment
DNA binding	GO:0003677	6.10E-23	66	592	4.45
Nucleic acid binding	GO:0003676	7.43E-14	89	1461	2.43
DNA-binding transcription factor activity	GO:0003700	3.18E-13	31	220	5.63
Transcription regulator activity	GO:0140110	5.13E-12	32	262	4.88
Sequence-specific DNA binding	GO:0043565	7.10E-08	19	139	5.46
DNA-binding transcription factor activity, RNA polymerase II-specific	GO:0000981	2.811E-06	13	80	6.49
Nuclear receptor activity	GO:0004879	4.05E-03	4	12	13.32
Ligand-activated transcription factor activity	GO:0098531	4.05E-03	4	12	13.32
Steroid hormone receptor activity	GO:0003707	1.22E-02	4	16	9.99
Signaling receptor binding	GO:0005102	2.77E-02	7	67	4.17