Title: Transcriptomic landscape of human induced pluripotent stem cell-derived osteogenic differentiation identifies a regulatory role of KLF16

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2

44 **Abstract**

45 Osteogenic differentiation is essential for bone development and metabolism, but the

46 underlying gene regulatory networks have not been well investigated. We differentiated

47 mesenchymal stem cells, derived from 20 human induced pluripotent stem cell lines, into

48 preosteoblasts and osteoblasts, and performed systematic RNA-seq analyses of 60

49 samples for differential gene expression. We noted a highly significant correlation in

50 expression patterns and genomic proximity among transcription factor (TF) and long

51 noncoding RNA (lncRNA) genes. We identified TF-TF regulatory networks, regulatory

52 roles of lncRNAs on their neighboring coding genes for TFs and splicing factors, and

53 differential splicing of TF, lncRNA, and splicing factor genes. TF-TF regulatory and gene

54 co-expression network analyses suggested an inhibitory role of TF *KLF16* in osteogenic

55 differentiation. We demonstrate that *in vitro* overexpression of human *KLF16* inhibits

56 osteogenic differentiation and mineralization, and *in vivo Klf16*$^{+/-}$ mice exhibit increased

57 bone mineral density, trabecular number, and cortical bone area. Thus, our model system

58 highlights the regulatory complexity of osteogenic differentiation and identifies novel

59 osteogenic genes.

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Introduction

Mesenchymal stem cells (MSCs) are multipotent cells that can differentiate into a variety of lineages, including osteoblasts (OBs), chondrocytes, and adipocytes (Pittenger et al., 1999). Osteoblast differentiation from MSCs plays a pivotal role in bone development, homeostasis, and fracture repair. Given their critical roles, exploring the molecular mechanisms underlying MSC differentiation into OBs is of significant clinical importance.

Osteogenic differentiation is highly regulated by multiple mechanisms, and previous research has highlighted the roles of various genes, including those coding for transcription factors (TFs), long noncoding RNAs (lncRNAs), alternative spliceoforms, and signaling pathways such as TGF-β/BMP, Notch, Hedgehog, Wnt, Hippo, and estrogen receptor signaling (Thomas and Jaganathan, 2022). Out of over 1,600 identified TFs (Lambert et al., 2018), only a small subset has been linked to osteogenic differentiation (Chan et al., 2021; Thomas and Jaganathan, 2022; Rauch et al., 2019), underscoring the need to explore other TFs' roles (Kang et al., 2019). Precise and robust transcriptional regulation is required during osteoblast differentiation, achieved by networks of transcriptional regulators. For example, RUNX2 is a master transcription factor in early osteoblast differentiation (Komori et al., 1997; Schroeder et al., 2005), but its expression does not increase in later stages. Concurrently, Notch signaling initially decreases but later represses RUNX2, boosting terminal differentiation and mineralization (Canalis et al., 2013; Ji et al., 2017; Shao et al., 2018). TFs ATF4, TEAD4, and KLF4 work alongside RUNX2 to regulate osteogenesis (Suo et al., 2020; Yang et al., 2004; Yu et al., 2021). However, the broader TF interplay in osteoblast differentiation remains largely uncharted, even with insights from ENCODE (Encyclopedia of DNA

84 Elements) data that reveal the co-association of human TFs in a combinatorial and

85 context-specific manner (Gerstein et al., 2012).

86 LncRNAs are vital in regulating cellular growth and differentiation (Guttman et al.,

87 2011; Ransohoff et al., 2018), and nearly 30,000 human lncRNA genes have been

88 annotated (Hon et al., 2017). Though our understanding of their role in osteogenesis is

89 emerging, only about 60 lncRNAs are known to influence osteogenic differentiation,

90 affecting TFs, pathway genes, or acting as molecular sponges for miRNAs (Ghafouri-Fard

91 et al., 2021; Lanzillotti et al., 2021). For instance, lncRNA H19 promotes osteoblast

92 differentiation via the TGF-β1/SMAD3/HDAC pathway by encoding miR-675 (Huang et

93 al., 2015), while lncRNA MALAT1 enhances osteoblast differentiation through SMAD4

94 up-regulation by sequestering miR-204 (Xiao et al., 2017). Numerous studies have

95 independently investigated both human coding and lncRNA gene expression profiles

96 during osteogenic differentiation (Abd Rahman, 2021; Håkelien et al., 2014; Hong et al.,

97 2020; Huang et al., 2017; Khodabandehloo et al., 2020; Liu et al., 2020; Park et al., 2015;

98 Qiu et al., 2017; Shaik et al., 2019; Skårn et al., 2014; Song et al., 2015; Sun et al., 2019;

99 Twine et al., 2014; Wang et al., 2015; Xia et al., 2020; Zhang et al., 2017; Zheng et al.,

100 2018). However, many of these studies are limited by such factors as reliance on

101 microarrays, small sample sizes, and brief osteogenic differentiation periods. In-depth

102 exploration of lncRNA profiles and their association with adjacent protein-coding genes

103 would therefore be advantageous.

104 Around 4,000 genes were identified to have alternative splicing (AS) during

105 osteogenic differentiation using microarray technology (Shang et al., 2016), while almost

106 all human genes are expected to exhibit AS, producing multiple transcript isoforms (Wang

107 et al., 2008). AS serves as a widespread regulatory mechanism in gene expression and

108 is implicated in various processes, including MSC osteogenic differentiation (Aprile et al.,

109 2018; Makita et al., 2008). Abnormal splicing, as seen in the mutant *COL1A1* gene, can

110 lead to conditions such as osteogenesis imperfecta (Gug et al., 2020). Despite these

111 findings, the role of splicing factors (SF) and differential splicing (DS) in osteogenic

112 differentiation remains globally unexplored.

113   Unraveling the osteogenic differentiation of MSCs demands a systems biology

114 approach, using a comprehensive transcriptome atlas and combined analysis of TFs,

115 lncRNAs, and spliceoforms. Due to the invasiveness required to obtain human primary

116 MSC and the suboptimal conditions for preserving available samples, large-scale human

117 transcriptomics projects, such as GTEx, exclude data from bone and cartilage.

118 Consequently, studies focusing on these tissues are often limited to disease contexts.

119 Induced pluripotent stem cell (iPSC) derived systems, given their robust pluripotency and

120 differentiation, offer an avenue for studying skeletal development. iPSC-derived

121 sclerotome models have been used to recapitulate endochondral ossification (Nakajima,

122 et al., 2018; Lamandé et al., 2023; Tani, et al., 2023). However, previous studies for

123 osteoblast differentiation from iPSC-derived MSCs included only 1–2 MSC cell lines

124 (Rauch et al., 2019; Matsuda, et al., 2020), limiting the power for comprehensive

125 transcriptomic analyses. In this study, we used 20 human iPSC lines, each from a healthy

126 individual, to investigate osteogenic differentiation of MSCs by RNA sequencing at three

127 key stages: MSC, preosteoblast (preOB), and OB. Our findings highlight dynamic gene

128 expression changes and the intricate interactions of lncRNAs and TFs. We spotlight the

129 significance of alternative splicing during osteogenic differentiation. Finally, we identify

130   the regulatory role of TF KLF16 as a potential inhibitor of osteogenic differentiation. This

131   work provides insights into osteogenic differentiation and sheds light on novel therapeutic

132   targets for bone diseases.

Results

Transcriptome profiles of human iPSC-derived MSCs and OBs are similar to that of primary MSCs and OBs. We established a workflow to generate iPSCs from peripheral blood mononuclear cells (PBMCs) or skin fibroblasts from 20 healthy individuals (9 males and 11 females) and differentiated them into MSC, preOB, and OB stages (Fig. 1a, Supplementary Fig. 1a, 1b, and 1h; Supplementary Table 1). To abrogate the memory of their somatic cell origin and attenuate *in vitro* transcriptional and differentiation heterogeneity, the established iPSC lines were cultured for at least 16 passages and underwent quality control (Polo et al., 2010). The lines then underwent MSC differentiation for three weeks and purification by sorting for CD105+/CD45- markers (Giuliani et al., 2011; Kang et al., 2015). No significant differences were found in the percentage of this cell population, irrespective of erythroblast or fibroblast origins (Supplementary Fig. 1c and 1d). After two weeks of expansion, our iPSC-derived MSCs were confirmed to have mesenchymal characteristics by prominently expressing positive MSC surface markers (CD29, CD73, CD90, and CD105) and by barely detecting negative markers (CD31, CD34, and CD45) at both the protein level by flow cytometry (Supplementary Fig. 1e and 1f) and mRNA level by RNA-seq (Supplementary Fig. 1g). After osteogenic differentiation for 21 days, the OBs demonstrated alkaline phosphatase (ALPL) enzyme activity and mineralization with alizarin red and von Kossa staining, reflective of functional OBs (Fig. 1b).

A total of 60 RNA-seq libraries were generated from the 20 individuals at the three stages (Fig. 1a; Supplementary Table 1). We initially employed bulk RNA-seq rather than

156 single-cell RNA-seq (scRNAseq) because the latter recovers only sparse transcriptional

157 data from individual cells, thus limiting comprehensive expression analysis and the

158 development of robust prediction models for regulatory and gene co-expression networks

159 (Wang and Li, 2021). These data revealed increased expression of OB lineage markers

160 (*ALPL, COL1A1, RUNX2, SPARC, OMD, and OGN*) with characteristic temporal

161 expression patterns during osteogenic differentiation (Fig. 1c). We further compared our

162 MSC and OB RNA-seq datasets with previously published human primary MSC and OB

163 datasets, human iPSC datasets, and GTEx datasets for different tissues derived from the

164 three germ layers (ectoderm, endoderm, and mesoderm) and germ cells (Al-Rekabi et al.,

165 2016; Ardlie et al., 2015; Ma et al., 2019; Roforth et al., 2015; Rojas-Peña et al., 2014).

166 By principal component analysis (PCA), our MSC and OB datasets clustered with those

167 of published primary MSCs and OBs, respectively, and were discrete from iPSCs and

168 other tissue datasets, further validating our MSC and OB cell lines (Fig. 1d).

169

170 **Differential transcription profiles of human iPSC-derived MSCs, preOBs, and OBs.**

171 During *in vitro* osteogenic differentiation, we detected the expression of 17,795 unique

172 genes across all stages, of which 79% were protein-coding and 21% were noncoding

173 (Supplementary Fig. 2a). Seventy percent or 9,724 of the protein-coding genes were

174 differentially expressed (DE) between the osteogenic stages (MSC to preOB or preOB to

175 OB) (fold change $\geqslant$ 1.2 and adjusted p value $\leqslant$ 0.05). Sixty percent (2,297) of the

176 noncoding genes also were DE (Supplementary Fig. 2a), of which 2,249 (98% of DE

177 noncoding) were lncRNA genes. By intersecting with the identified 1,600 TFs (Lambert et

178 al., 2018), we found that nine percent (840 genes) of the DE coding genes

9

179 (Supplementary Fig. 2b) and six percent (257 genes) of the non-DE coding genes coded

180 for TFs (Supplementary Fig. 2a). And a chi-square test revealed a significant correlation

181 between TFs and differentially expressed genes (DEGs) (X^2 = 27.4, p < 0.0001),

182 indicating TF genes were more likely than non-TF coding genes to be differentially

183 expressed during osteogenic differentiation. There were 5,715 up-regulated genes and

184 4,409 down-regulated genes from the MSC to the preOB stage and 3,342 up-regulated

185 genes and 2,835 down-regulated genes from the preOB to the OB stage, revealing that

186 the majority of the DEGs were up-regulated during osteogenic differentiation

187 (Supplementary Fig. 2c and 2d; Supplementary Table 2). Among the top statistically

188 significant up- or down-regulated genes, known osteogenesis-associated genes,

189 including a SMAD ubiquitination regulatory factor *SMURF2* (Kushioka et al., 2020),

190 natriuretic peptide precursor B *NPPB* (Aza-Carmona et al., 2014), hypoxia inducible factor

191 3 subunit alpha *HIF3A* (Zhu et al., 2014), a TF *ZBTB16* (Onizuka et al., 2016), a Wnt

192 signaling pathway family member *WNT7B* (Yu et al., 2020a), osteoinductive factor *OGN*,

193 a SFRP family (modulators of Wnt signaling) member *SFRP2* (Yang et al., 2020a), and a

194 glycoprotein member of the glycosyl hydrolase 18 family *CHI3L* (Chen et al., 2017), were

195 identified. There were also many genes with no defined function in bone, including those

196 that play critical roles in RNA binding activity (*EBNA1BP2*), maintenance of protein

197 homeostasis (*PSMD2*), arachidonic acid metabolism (*PRXL2B*), hemostasis and

198 antimicrobial host defense (*FGB*), embryonic and induced pluripotent stem cells (*PCSK2*),

199 as well as cell proliferation, differentiation and migration (*FGFBP1*). A larger number of

200 DEGs with larger changes in gene expression was identified from the MSC to the preOB

201 stage than from the preOB to the OB stage, even though there was half the differentiation

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202 interval (one week) between the earlier two stages than between the latter two stages

203 (two weeks) (Fig. 2a, Supplementary Fig. 2c, 2d, and 2e).

204

205 **Correlation of gene expression patterns of TFs and lncRNAs during human**

206 **osteogenic differentiation.** Distinguishable gene expression profiles for each of the

207 three osteogenic stages were displayed by a heatmap of Z-score normalized gene-

208 expression values (Fig. 2a). We further characterized the DEGs by clustering them into

209 eight possible patterns based on their expression up/down changes across the three

210 osteogenic stages, MSC to preOB and preOB to OB (Fig. 2b; Supplementary Table 3).

211 Cluster 1 and cluster 2 genes increased or decreased expression, respectively,

212 throughout differentiation. The expression of genes for all other pairs of clusters also

213 displayed opposite stage-specific changes. Genes in cluster 3 and cluster 4 increased or

214 decreased expression, respectively, from the MSC to the preOB stage and remained

215 relatively stable from the preOB to the OB stage. Genes in clusters 5 and 6 displayed no

216 significant change In expression from the MSC to the preOB stage, but their expression

217 increased or decreased, respectively, from the preOB to the OB stage. Genes in cluster

218 7 increased and in cluster 8 decreased in their expression from the MSC to the preOB

219 stage, and in cluster 7 decreased and in cluster 8 increased from the preOB to the OB

220 stage (Fig. 2b; Supplementary Table 3). When comparing the pairs of clusters, other than

221 clusters 7 and 8, the number of genes with increased expression was consistently greater

222 than that with decreased expression among stages (e.g., cluster 3 had 3,313 genes up-

223 regulated while cluster 4 had 2,321 genes down-regulated from the MSC to the preOB

224 stage) (Fig. 2b). 81% of all DEGs were in either pair of clusters 1 and 2 or 3 and 4, with

11

225 almost half of all DEGs in clusters 3 and 4 (Fig. 2b and 2c). Also, each cluster contains

226 various proportions of different types of genes, including TF, non-TF protein-coding, and

227 lncRNA genes. Cluster 1 contained the highest percentage of TF genes (11%), cluster 2

228 contained the highest percentage of non-TF protein-coding genes (92%), and cluster 5

229 contained the highest percentage of lncRNA genes (40%) (Supplementary Fig. 2f). We

230 determined the proportions of TF, non-TF protein-coding, and lncRNA genes in the eight

231 clusters (Fig. 2d). We then calculated correlation coefficients to measure the similarity

232 between the distribution of the proportion of a pair of the gene types. Interestingly, we

233 found that TF and lncRNA genes were the most highly correlated with a correlation

234 coefficient of 0.9 (p value = 0.003), compared to those of TF and non-TF protein-coding

235 genes ($\rho = 0.7$, p value = 0.04), or lncRNA and non-TF coding genes ($\rho = 0.6$, p value =

236 0.11), suggesting that there is tighter regulatory control between TF and lncRNA genes,

237 compared to the other pairs.

238 Gene ontology (GO) biological process (BP) overrepresentation tests revealed that

239 each cluster was enriched for various functions that are distinct from other clusters (FDR

240 $\leq$ 0.05, Fig. 2e; Supplementary Table 3). For example, cluster 3 was enriched for bone

241 development, bone morphogenesis, ECM organization, skeletal system development,

242 and skeletal system morphogenesis. Cluster 4 was enriched for Wnt signaling pathway

243 planar cell polarity pathway, non-canonical Wnt signaling pathway, regulation of

244 hematopoietic stem cell differentiation, regulation of innate immune response, regulation

245 of stem cell differentiation, NIK/NF-kappaB signaling, RNA metabolic process, and Fc

246 receptor signaling pathway. Cluster 5 had no significantly enriched BP terms, which may

247 be explained by its high content of lncRNA genes (Supplementary Fig. 2f), of which

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248 biological functions are largely unknown and not annotated in the GO resource database

249 (Carbon et al., 2019). Clusters 7 and 8 contained relatively small numbers of DEGs and

250 showed no significantly overrepresented terms (Fig. 2c and 2e).

251

252 **Transcription factor regulatory network during human osteogenic differentiation.**

253 By PCA, we found that the expression profiles for all the DEGs segregated all of the

254 samples by their differentiation stage, with MSCs being most distinct from preOBs and

255 OBs, which is consistent with the larger number of DEGs present between the MSC and

256 preOB stages than the later stages (Fig. 3a and Supplementary Fig. 2c and 2d). TFs were

257 similar to other protein-coding genes in gene expression levels at each stage and their

258 fold changes between stages (Supplementary Fig. 3a and 3b). Of note, when we used

259 only the 840 differentially expressed TFs, their expression profiles also segregated the

260 three osteogenic stages (Fig. 3b).

261 TFs not only regulate the transcription of other protein-coding genes and

262 noncoding RNA genes but also of TF genes themselves. We focused on the TF biological

263 cooperativity with respect to TF-TF regulation because it has not been investigated

264 globally in osteogenic differentiation. To predict the TF-TF regulatory network during

265 osteogenic lineage differentiation, we constructed a network using the database ReMap,

266 which integrated and analyzed 5,798 human ChIP-seq and ChIP-Exo datasets from

267 public sources to establish a transcriptional regulatory repertoire to predict target genes

268 (Chèneby et al., 2020), rather than more specific datasets as comprehensive MSC,

269 preOB, or OB DNA-binding data are not available, in combination with our RNA-seq data.

270 ReMap covers 1,135 transcriptional regulators, including mainly TFs and a few

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coactivators, corepressors, and chromatin-remodeling factors with a catalog of 165 million

binding peaks. We filtered transcriptional regulators that did not show associations in

ReMap, given that the transcription regulators are less likely to have real regulatory

relationships in osteogenic differentiation if they do not display their associations in

ReMap. To further assure the reliability and accuracy of the regulatory relationship in our

osteogenic differentiation datasets, we then assessed regulations among them by

computing correlation coefficients of gene expression, which resulted in 451 TFs

preserved in the network. After the application of a partitioning algorithm, the generated

network was organized into five interconnected modules (Bastian et al., 2009) (Fig. 3c;

Supplementary Table 4). The network showed that TFs might regulate other TFs both

internal and external to their respective modules, revealing a highly complex network of

transcriptional regulators. We also identified the top 100 transcriptional regulators

determined by their betweenness centrality, which coincided with their power to regulate

others in the network (Fig. 3c; Supplementary Table 4) (Bastian et al., 2009). Among them,

TF genes known to regulate osteogenic differentiation were present in different modules,

such as *ATF4* in module 1 (Yang et al., 2004), *FOSL1* in module 2 (Krum et al., 2010),

ZEB1 in module 3 (Fu et al., 2020), and *TEAD4* in module 5 (Suo et al., 2020)

(Supplementary Table 4). Of interest, TF *KLF16* in module 5, which previously was not

demonstrated to be involved in bone formation and bone development, was revealed to

have an important role in the osteogenic network by its ranking as the fifth top regulator

directly interacting with second top regulator *TEAD4*, and its high degree of association

with 315 transcriptional regulators (Supplementary Table 4).

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293   GO and Reactome pathway (RP) analyses revealed regulatory functions and

294   pathways specific to each module (FDR $\leq$ 0.05; Fig. 3d and 3e; Supplementary Table 4).

295   As examples for the GO BP terms, module 2 was enriched for RNA splicing. Module 3

296   was enriched for skeletal muscle cell differentiation and muscle structure development.

297   These two terms were associated with six (*EGR1*, *NR4A1*, *EGR2*, *SIX4*, *FOS*, *ATF3*) and

298   15 (*ZBTB18*, *MEF2A*, *EGR1*, *TCF7L2*, *EGR2*, *EPAS1*, *SRF*, *ZBTB42*, *ETV1*, *FOS*, *RBPJ*,

299   *NR4A1*, *SIX4*, *ID3*, *ATF3*) transcriptional regulator genes, respectively. Also, this module

300   was enriched for the term fat cell differentiation and six associated TF genes (*ATF2*,

301   *NR4A1*, *TCF7L2*, *EGR2*, *PPARG*, *GLIS1*). Module 5, containing *KLF16*, was enriched for

302   terms ncRNA transcription and positive regulation of the Notch signaling pathway, which

303   is essential in bone development and metabolism (Fig. 3d) (Liu et al., 2016).

304   In addition, each of the modules was enriched for GO cellular component (CC)

305   terms of various complexes. Module 2 was enriched for the term ESC/E(Z) complex, a

306   multimeric protein complex that can interact with several noncoding RNAs, a vital gene

307   silencing complex regulating transcription, and an effector of response to ovarian steroids

308   (Dubey et al., 2017) (Supplementary Fig. 4a). The modules were enriched for different

309   GO molecular function (MF) terms of receptor binding of various hormones, including

310   androgen,   estrogen,   glucocorticoid,   and   thyroid   hormone   receptor   binding

311   (Supplementary Fig. 4b), providing more evidence of the crosstalk between bone and

312   gonads (Oury, 2012). With RP analysis, Module 2 was associated with activation of HOX

313   genes during differentiation, consistent with its established important role in osteogenic

314   differentiation of MSCs and skeletogenesis (Seifert, 2015). Module 5 was associated with

315   signaling by TGF-beta family members, and the SMAD2/SMAD3:SMAD4 heterotrimer

316 regulates transcription (Fig. 3e). These results revealed the complex and robust nature

317 of TF regulatory networks during osteogenic differentiation.

318

319 **Correlation in genomic proximity of lncRNA and TF genes during human**

320 **osteogenic differentiation.** Given a large number of lncRNA DEGs during osteogenic

321 differentiation (Supplementary Fig. 2a and 2b) and the similarity of their distribution to that

322 of regulatory TF genes in the defined clusters of expression patterns per the coefficient

323 calculation above (Fig. 2d), we further investigated the characteristics of lncRNAs during

324 osteogenic differentiation. Our data showed that among all lncRNA genes, there were

325 near equal amounts with one exon (24%) or two exons (22%), and the remaining 54%

326 had more than two exons, of which each category contributed no more than 15%

327 (Supplementary Fig. 3c). The proportion of lncRNA genes with the various numbers of

328 exon differed from TFs and non-TFs (Supplementary Fig. 3c), as well as from previous

329 studies that demonstrated that lncRNA genes have a tendency to have only two exons

330 (42%) while each category of the remaining lncRNA genes with other than two exons

331 contributed less than 27% on average over a wide range of human organs (GENCODE

332 consortium, Derrien et al., 2012). The expression level of DE lncRNA genes was lower

333 than TF and non-TF coding genes at each osteogenic stage (Supplementary Fig. 3a).

334 However, the expression fold changes of the lncRNA genes among the osteogenic stages

335 were larger than that of TF and non-TF coding genes (Supplementary Fig. 3b). We also

336 performed PCA using the expression profiles of DE lncRNA genes from all 60 samples.

337 PCA segregated them into three groups corresponding to their osteogenic stage,

16

338   indicating the differentiation stages also can be defined by lncRNA expression profiles

339   (Fig. 4a).

340   Unlike many coding genes that have well-known biological functions, most lncRNA

341   genes have little functional annotation. Given that a major function of lncRNAs is to

342   regulate their neighboring coding genes and that a classic way to assign *cis* biological

343   functions to a set of lncRNA genes is to analyze their nearby genes' functional annotations,

344   we matched the lncRNAs to their nearby coding genes (Statello et al., 2021) (see

345   Methods). We identified 441 neighboring protein-coding genes that were also differentially

346   expressed (Supplementary Table 5). The expression fold changes for coding DEGs near

347   either up-regulated or down-regulated lncRNA genes were larger than the expression fold

348   changes for coding DEGs near non-differentially expressed lncRNA genes both from

349   MSC to preOB and from preOB to OB stage ($p < 0.0001$ for both comparisons, by Kruskal-

350   Wallis rank sum test), respectively (Fig. 4b and 4c). lncRNAs have been reported to

351   display either positive (Kim et al., 2010; Ørom et al., 2010) or negative (Brockdorff et al.,

352   1992; Nagano et al., 2008) regulation of their neighboring protein-coding genes. We found

353   that both positive (25.3% vs. 5.1%, $0.8 > \rho \geq 0.5$, Chi-Square test, $p < 0.0001$) and

354   negative (5.8% vs. 2.8%, $-0.5 \geq \rho > -0.8$, Chi-Square test, $p < 0.05$) expression

355   correlations, as well as very strong positive expression correlations (3.0% vs. 0.5%, $\rho \geq$

356   0.8, Chi-Square test $p < 0.01$) of DE lncRNA genes with their pairwise neighboring coding

357   DEGs, were significantly stronger than with randomly shuffled coding DEGs (Fig. 4d).

358   This indicates a dual-directional regulation of lncRNA genes to their nearby coding genes

359   in osteogenic differentiation. There was no significant difference in very strong negative

360   expression correlations ($\rho \leq -0.8$). Among the coding DEGs associated with DE lncRNA

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361 genes, we found 55 TF genes, including several members of the TEAD and ZNF families

362 known to be involved in osteogenesis, 16 SF genes (e.g., *SYF2* and *SRSF1*), and 59 DS

363 genes (Supplementary Table 5). A chi-square test revealed a significant correlation of DE

364 lncRNA genes with DE TF genes ($X^2 = 8.6$, $p < 0.01$), which indicated that DE TF genes

365 were more likely than DE non-TF coding genes to be neighbors of lncRNA genes,

366 providing more evidence regarding a tight regulatory control between lncRNA and TF

367 genes. We did not see a significant correlation of DE lncRNA genes with DE SF genes or

368 with DE DS genes.

369 We further performed GO BP enrichment analysis on these coding DEGs near DE

370 lncRNA genes to investigate functional annotations. It was not surprising to see these

371 coding DEGs were enriched for regulation of transcription and gene expression because

372 of the significant correlation of lncRNA and TF genes in both gene expression pattern and

373 neighborship. Eight percent (36 genes) were identified to be involved in skeletal system

374 development or regulation of ossification, 14% involved in the regulation of cell

375 differentiation, and 25% involved in the regulation of cell communication (FDR $\leq$ 0.05, Fig.

376 4e, Supplementary Table 5). 12% of the lncRNA neighboring protein-coding genes

377 differentially expressed from the preOB to OB stage were associated with regulation of

378 phosphorus and phosphate metabolic processes, which are essential for bone mineral

379 deposition and bone growth (Penido and Alon, 2012).

380 Among all genes, noncoding as well as coding, two lncRNA genes, *AC005261.1*

381 and *FTX*, were the first and fifth most significantly up-regulated genes from the preOB to

382 OB stage (Supplementary Fig. 2c and 2d). The expression of *AC005261.1* increased only

383 at the later stage of OB differentiation (cluster 5), and *FTX* increased throughout

18

384 differentiation (cluster 1) (Fig. 4f). *AC005261.1* is antisense to a KRAB-containing zinc

385 finger transcription gene *ZNF304*, which plays a fundamental role in T- cell differentiation

386 (Sabater et al., 2002). FTX, an X-inactive-specific transcript regulator, previously was

387 demonstrated to have a regulatory function in cell proliferation of multiple tumor types

388 (Huang et al., 2020), and its down-regulation promotes the differentiation of osteoclasts

389 in osteoporosis (Yu et al., 2020b). Taken together, these results demonstrate that

390 dynamic expression of lncRNA genes is an integral component of the transcriptional

391 profiles of osteogenic differentiation and may contribute to the regulation of osteogenic

392 differentiation by regulating proximal coding genes.

393

394 **Differential splicing of TF and lncRNA genes during human osteogenic**

395 **differentiation.** To systematically investigate the role of RNA alternative splicing during

396 osteogenic differentiation, we first identified 287 DE SFs by intersecting our DEGs with

397 an SF list curated from published literature (Fig. 5a and 5b; Supplementary Table 6) (Piva,

398 et al., 2012; Giulietti, et al., 2013; Sveen, et al., 2011; Seiler, et al., 2018; Hegele, et al.,

399 2012; Koedoot, et al., 2019). Thirty-six percent of them showed stage-specific expression

400 changes, with 86 DE SFs from MSC to preOB and 18 DE SFs from preOB to OB stage

401 (Fig. 5b). The expression fold changes of the SF genes between the earlier two stages

402 were greater than that between the latter two stages (Fig. 5b; Supplementary Table 6).

403 To the best of our knowledge, only six SFs (U2AF1, SF3b4, HnRNPL, SRSF1, SRSF2,

404 and DDX17) have been revealed to be associated with osteogenesis (He et al., 2022; Jia

405 et al., 2019; Liu et al., 2021; Watanabe et al., 2007; Yi et al., 2019), and five of them

406 except *U2AF1* were found to be differentially expressed (top 62 up-regulated and top 12

19

407 down-regulated) during osteogenic differentiation in our datasets (Supplementary Table

408 6). *U2AF1* was not a DEG, but *U2AF1L4*, predicted to be part of H2AF complex, was

409 ranked as the top seventh down-regulated gene. The remaining DE SFs, including the

410 top five up-regulated (*CELF2*, *JUP*, *ALYREF*, *MELK*, and *SNRPB*) and down-regulated

411 (*SEC31B*, *PCBP3*, *CLK4*, *LGALS3*, and *CLK1*), have not been investigated in

412 osteogenesis (Supplementary Table 6). We then examined differential splicing among

413 stages using Leafcutter, which quantifies intron usage across samples by leveraging

414 spliced reads that span an intron and calculates the percent spliced-in (PSI), which is the

415 percentage of transcripts for a given gene in which the intron sequence is present (Li et

416 al., 2018). Around 30% of the maximum changes of PSI for DS intron clusters of variably

417 excised introns of a gene across osteogenic stages were greater than 10% (Fig. 5c). We

418 identified 1,932 DS intron clusters for 1,750 genes from the MSC to preOB stage, and

419 254 clusters for 260 genes from the preOB to OB stage (Fig. 5d; Supplementary Table

420 6); the difference of the number of DS genes between these stages may be a reflection

421 of the difference in the number and expression level changes of SFs (Fig. 5a and 5b). 31%

422 and 25% of the DS genes contained at least one previously unannotated exon, from the

423 MSC to the preOB stage and from the preOB to OB stage, respectively, indicating specific

424 transcription profiling and the complexity and diversity of the human transcriptome of

425 osteogenic differentiation (Supplementary Table 6).

426 We then performed GO and RP enrichment analyses of the DS genes to explore

427 their potential biological functions during osteogenic differentiation (FDR $\leq$ 0.05, Fig. 5d

428 and Supplementary Table 6). Several hundred of the DS genes were significantly

429 enriched for various metabolic processes, and 52 DS genes were associated with ECM

20

430 organization. Various sets of the DS genes were associated with chromosome

431 organization, histone modification, transcription factor binding and activity, transcription

432 coactivator activity and coregulator activity, and post-translational protein modification,

433 suggesting that DS events regulate gene expression at multiple levels, including

434 modulating TFs and TF-TF association during osteogenic differentiation. 48 DS genes

435 were significantly enriched for RNA splicing regulation, indicating modulation of the

436 functions of SFs themselves by DS events (Fig. 5d and Supplementary Table 6).

437   A considerable number of differential splicing events are predicted to produce

438 different protein isoforms, and more than 40% (MSC to preOB, 798 domains affected in

439 a total of 1,929 DS genes; preOB to OB,110 domains affected in a total of 254 genes) of

440 the events potentially modify domains of protein-coding genes (Supplementary Table 6).

441 There were many DS genes encoding proteins with known roles in ECM organization,

442 mineralization, and bone formation, such as *VCAN* (Nakamura et al., 2005), *FN1* (Yang

443 et al., 2020b), and *MACF1* (Hu et al., 2021) (Supplementary Fig. 5a, 5b, and 5c). A

444 notable example of a DS TF was *NFIX* (Fig. 5e). *NFIX*, encoding nuclear factor I

445 transcription factor family member X, plays a pivotal role in bone mineralization (Driller et

446 al., 2007). *NFIX* at the preOB stage compared to the MSC stage, showed increased

447 expression of isoforms containing the intron at chr19:13025552-13073047, where the N-

448 terminal DNA-binding domain is located (Fig. 5e). This domain contains four Cys residues

449 highly conserved in all species, which are required for its DNA-binding activity (Novak et

450 al., 1992). We found that some lncRNA genes also had differential splicing among stages.

451 For example, cytoskeleton regulator RNA gene (*CYTOR*), which promotes cell

452 proliferation, invasion, and migration in various types of cancer (Zhu et al., 2020), showed

453 increased inclusion of the exon at chr2:87455645-87521207 (Fig. 5f). Altogether, these

454 findings suggest that alternative splicing plays a prominent role in osteogenic

455 differentiation.

456

457 **Identification of key regulators in the co-expression network of human osteogenic**

458 **differentiation.** We performed multiscale embedded gene co-expression network

459 analysis (MEGENA) to identify gene co-expression structures (i.e., modules) as well as

460 key network regulators (Holmes et al., 2020; Song and Zhang, 2015). MEGENA was

461 conducted on the RNA-seq data from the three osteogenic differentiation stages and

462 identified 168 co-expressed gene modules (FDR $\leqslant$ 0.05, Fig. 6a; Supplementary Table

463 7). We then identified potential key network regulators (KNR) that were predicted to

464 modulate a large number of DEGs in the network by key driver analysis (Zhang et al.,

465 2013; Zhang and Zhu, 2013). Many modules enriched for DEGs and their associated

466 KNR recapitulated known osteogenic factors. For example, module M188, comprised of

467 99 genes, was significantly enriched for the up-regulated DEGs (MSC to preOB, fold

468 enrichment = 1.64, adjusted p value = 6.65E-3; preOB to OB, fold enrichment = 2.04,

469 adjusted p value = 1.31E-3) (Supplementary Fig. 6a and Supplementary Table 7). This

470 module contained ten genes previously implicated in bone development or remodeling

471 (Supplementary Table 7). Three of them, including SF *DDX17* and lncRNA *MALAT1*,

472 were identified as KNRs by key driver analysis (Supplementary Fig. 6b) (He et al., 2022;

473 Xiao et al., 2017). Another SF (*RNPC3*) and two lncRNAs (*MIR99AHG* and *ZKSCAN2-*

474 *DT*) were identified as KNRs among 11 DE SFs and 10 DE lncRNAs in the module

475 (Supplementary Fig. 6b). As TFs are known to be fundamental to the osteogenic process,

22

476 we particularly were interested in finding TFs with key regulatory roles new to

477 osteogenesis. We focused on modules that were significantly enriched for DEGs and

478 contained DE TF genes identified as key drivers (Supplementary Table 7). We identified

479 80 such TF key drivers, of which 60 have unknown biological functions in osteogenesis

480 (Supplementary Table 7). The top 3 up-regulated (*ZBTB16*, *HIF3A*, and *NR2F1*)

481 (Manikandan et al., 2018; Onizuka et al., 2016; Zhu et al., 2014) and the top 2 down-

482 regulated (*TEAD4*, *HMGA1*) (Suo et al., 2020; Wu et al., 2021) KNR TFs have established

483 roles in osteogenesis. The third most down-regulated KNR TF is *KLF16* of module M204,

484 which previously had little known involvement in osteogenesis (Supplementary Table 7).

485 To further evaluate the expression patterns of the top candidate genes that we had

486 discovered through our MEGENA as well as our DEG and TF-TF network analyses at the

487 cell type level, we employed our previously published single-cell RNA-seq data. This data

488 from iPSC-induced MSC osteogenic differentiations in six healthy individuals, were

489 originally used to compare the human and chimpanzee skeleton (Housman et al., 2022).

490 In that study, gene expression had been assessed at two stages, MSCs (day 0) and

491 osteogenic cells (day 21) – analogous to our bulk MSC (day 0) and OB (day 21) stages,

492 respectively. Although the differentiation culture conditions differed from this study, we

493 found similar differential expression patterns in a pseudobulk analysis of the scRNA-seq

494 time points for the top-5 gene sets of up- and down-regulated KNR-TFs (Supplementary

495 Table 7), TF regulators based on TF-TF regulatory networks (Supplementary Table 5),

496 up- and 5 down-regulated SFs (Supplementary Table 6), as well as 6 well known

497 osteogenic markers (Fig. 1c). *KLF16* was significantly differentially expressed, with its

498 expression decreasing from the MSC to the OB stage in both datasets (Fig. 7a,

23

499   Supplementary Fig. 7, Supplementary Table 9), validating our observations. We further

500   analyzed pseudobulk expression data derived from five different osteogenic cell types

501   and found that most genes of interest showed similar levels of expression among these

502   cell types with the most differences occurring in mature osteocytes, including a notable

503   reduction of RUNX2 expression as expected (Supplementary Table 10) (Thomas and

504   Jaganathan, 2022).

505

506   **KLF16, a key regulator of module M204 involved in human osteogenic**

507   **differentiation.** We further focused on KNR TF, KLF16, as it is a key regulator in module

508   M204. Multiple lines of evidence point to a potentially critical role of M204 in osteogenic

509   differentiation. M204, comprised of 85 genes, was significantly enriched for down-

510   regulated DEGs (MSC to preOB, fold enrichment = 1.80, adjusted p value = 1.58E-2;

511   preOB to OB, fold enrichment = 2.29, adjusted p value = 1.08E-3) (Fig. 6a). Additionally,

512   more than 9% (8 genes) of the DEGs in M204 are related to bone development and

513   metabolism (Supplementary Table 7). Three (*PHLDA2*, *RHOC*, *PFN1*) out of the eight

514   genes were identified as KNRs (Fig. 6b). The expression of *PHLDA2* is associated with

515   skeletal growth and childhood bone mass (Lewis et al., 2012). Knockdown of RHOC

516   dramatically inhibits osteogenesis (Zheng et al., 2019). *PFN1*, a member of the profilin

517   family of small actin-binding proteins, is known to regulate bone formation. The loss of

518   function of PFN1, causes the early onset of Paget's disease of bone, a disease with

519   impaired osteoclast and osteoblast differentiation (Scotto di Carlo et al., 2020). We also

520   examined overlap of the genes in M204 with the genes from genome-wide association

521   studies with significant signals for bone area (B-area), bone mineral density (BMD), and

522 hip geometry (Hsu et al., 2019; Morris et al., 2019; Styrkarsdottir et al., 2019), and found

523 five genes, *CYFIP1*, *MMD*, *PELO*, *PRSS23*, and *SNX13*. Thus, based on our

524 accumulative analyses, we hypothesized that *KLF16* plays an important role in

525 osteogenic differentiation.

526

527 **Regulatory role of Klf16 in murine osteogenic differentiation *in vitro*.** We explored

528 the role of *Klf16* in osteogenic differentiation and bone mineral density and architecture.

529 We overexpressed *Klf16* in the preosteoblast murine cell line MC3T3-E1 using lentivirus

530 vector-mediated gene transfer (Fig. 7b). We then performed three independent

531 osteogenic differentiation experiments, each with three technical replicates for each

532 differentiation stage (day 7, 14, and 21). Consistent with its continuously decreased

533 expression across osteogenic stages, overexpression of *Klf16* in the preosteoblast

534 murine cell line MC3T3-E1 dramatically suppressed osteogenic differentiation at the early

535 stage (day 7) with reduced matrix maturation detected by ALP staining, and at later stages

536 (day 14 and 21) with reduced mineralization detected by alizarin red and von Kossa

537 staining, compared to the control cells (Fig. 7c). The inhibitory function of *Klf16* in

538 osteogenic differentiation in vitro was observed consistently for each of the experimental

539 and technical replicates.

540

541 ***Klf16*$^{+/-}$ mice show increased bone mineral density and abnormal trabecular and**

542 **cortical bone.** We explored the role of *Klf16* in bone formation in vivo by studying a *Klf16*

543 knock-out mouse, generated by deleting a 444 bp segment in exon 1 using CRISPR

544 technology by the Knockout Mouse Phenotyping Program (KOMP). This mutation deleted

25

545 the Kozak sequence and ATG start, leaving the final 16 bp of exon one and the splice

546 donor site. We examined heterozygous rather than homozygous mutants because of

547 difficulties in breeding for the latter. No significant difference in the overall length between

548 adult $Klf16^{+/-}$ and wild type (WT) control mice of the same C57BL/6 background and

549 matched by gender and age were initially found (Fig. 7d). However, adult $Klf16^{+/-}$ mice

550 had significantly increased lean mass (total tissue mass – fat mass, including bone

551 mineral content) ($p < 0.05$), and no significant change in fat mass relative to WT mice (Fig.

552 7d). Furthermore, there was a dramatic increase in whole body bone mineral content

553 (BMC), bone area, and bone mineral density in $Klf16^{+/-}$ mice compared to WT control mice

554 revealed by DEXA scanning ($p < 0.01$) (Fig. 7e). Likewise, μCT scanning of trabecular

555 bone from adult $Klf16^{+/-}$ mice showed significantly increased bone to tissue volume

556 (BV/TV) ($p < 0.05$) and trabecular thickness (Tb.th) ($p < 0.01$). There were no significant

557 differences in trabecular number (Tb.N) and trabecular separation (Tb.Sp), indicating the

558 maintenance of distances between trabeculae in the mutant (Fig. 7f and 7h). In addition,

559 adult $Klf16^{+/-}$ mice showed significantly increased cortical bone area (Ct.Ar) ($p < 0.05$),

560 cortical periosteal perimeter (Ct.Pe.Pm) ($p < 0.01$), and cortical endosteal perimeter

561 (Ct.En.Pm) ($p < 0.01$) compared to WT control mice (Fig. 7g and 7i). These findings further

562 validated our predicted TF and co-expression networks and established a regulatory role

563 of TF $Klf16$ in bone. Studying the bone features in MSC-specific $Klf16$ conditional

564 knockout mice could offer additional confirmation of its importance in the osteoblast

565 lineage, as $Klf16$ might have functions in both osteoblasts and osteoclasts, yet such a

566 animal model is not available to date.

567

26

Discussion

569 Understanding the cellular and molecular mechanisms that drive both physiological and

570 pathological bone formation requires knowledge of global transcriptional changes during

571 osteogenic differentiation. To shed light on this, we utilized iPSC-derived MSCs as our

572 tool. By profiling RNA expression in 20 healthy human lines at three osteogenic stages,

573 MSC, preOB and OB, we observed the transcriptome profiles of our iPSC-derived MSCs

574 and OBs were consistent with those of their primary counterparts, which suggests the

575 potential applicability of our model system for osteogenic differentiation studies. Our

576 differential gene expression analyses provided insights into transcriptional variations for

577 each osteogenic stage, marked by changes in expression levels of numerous coding and

578 non-coding genes. Patterns of dynamic gene expression identified clusters of genes

579 implicated in different biological functions during differentiation. Many genes known to be

580 implicated in bone function, such as bone development, bone morphogenesis, and

581 extracellular matrix organization, were found to be significantly up-regulated only from the

582 MSC to the preOB stage (cluster 3).

27

583 Our systems biology approach revealed complex networks of TFs, lncRNAs, and

584 differential splicing events underlying osteogenic differentiation. A particular observation

585 was the high degree of correlation between the dynamic expression patterns of TFs and

586 lncRNAs. TF networks in mammalian cells often arise from TFs modulating other TFs

587 (Wilkinson et al., 2017). Our research unveiled a multifaceted osteogenic differentiation

588 TF network, segmented into five interactive modules. These modules, consistent with

589 previous findings on functional modularity (Dittrich et al., 2008), showcased specific

590 biological functions. For instance, Module 3 underscores TFs associated with fat cell

591 differentiation, suggesting a balance between osteogenesis and adipogenesis within

592 bone structures. This resonates with recent studies emphasizing the role of stem cell TFs

593 in osteogenesis, which also act as checks on adipogenesis (Rauch et al., 2019).

594 Additionally, this module identifies TFs integral to muscle differentiation, hinting at

595 overlapping regulatory mechanisms for both bone and muscle growth. This concept is

596 further supported by recent discoveries linking mesenchymal progenitors in muscle to

597 bone formation (Julien et al., 2021). Further analyses discerned connections between

598 TFs, RNA splicing, and ncRNA transcription across modules. This connectivity endorses

599 known interactions between signaling pathways like TGF-β/BMP and Wnt (Hernández-

600 Vega et al., 2021; Thomas and Jaganathan, 2022). Overall, our findings reveal intricate

601 TF networks, pathway interactions, and offer deeper insights into osteogenic

602 differentiation.

603 Our results offer a pioneering atlas of the expression of lncRNAs across three

604 osteogenic stages: MSC, preOB, and OB. We discerned 2,249 lncRNAs with notable

605 expression changes, surpassing even those of TFs. Concurrently, we identified 441

28

606 differentially expressed adjacent protein-coding genes, illustrating the bi-directional

607 influence of lncRNAs during differentiation. Numerous neighboring coding DEGs were

608 associated with skeletal development and mineral deposition processes. Fifty-five TFs,

609 including several TEAD and ZNF TF family members were within these genes, and the

610 correlation in genomic proximity of DE lncRNA and DE TF genes was statistically

611 significant. The TEAD family, vital in bone remodeling, operates via the Hippo pathway

612 (Tang and Weiss, 2017; Zhao et al., 2018), while the ZNF family finely tunes osteogenic

613 differentiation with both inhibition and promotion by different members (Quach et al., 2011;

614 Stains and Civitelli, 2003; Twine et al., 2016). Moreover, 16 SFs emerged in these findings,

615 reinforcing the significant role lncRNAs play in osteogenic differentiation through various

616 regulatory pathways.

617 In our study, we systematically identified differentially expressed SFs and DS

618 genes during osteogenic differentiation. We discovered extensive differentially spliced

619 genes, including ECM, TF, lncRNA, and SF, highlighting alternative splicing's pivotal role

620 in osteogenic differentiation. Some DS genes, like *NFIX*, are linked to human diseases.

621 Mutations in *NFIX* that affect splicing lead to Marshall-Smith syndrome, marked by rapid

622 bone maturation and other skeletal abnormalities (Malan et al., 2010; Martinez et al.,

623 2015). These observations underscore the importance of correct splicing in physiological

624 osteogenesis and the potential implications in pathological conditions, including bone

625 cancer (Liu and Rabadan, 2021).

626 Our study explored the osteogenic gene co-expression network, highlighting

627 potential gene modules and driver genes, like TFs, lncRNAs and SFs, that play an

628 important role in differentiation. In this study we experimentally validated the regulatory

29

629 role of *KLF16* of module M204 in osteogenic differentiation as a proof-of-concept that our

630 dataset provides a resource for the discovery of novel mechanisms in osteogenic

631 differentiation. Future studies will be required to explore the roles of specific lncRNA and

632 alternative splicing genes identified in this study. Module M204 was enriched for DEGs,

633 many of which are related to bone metabolism. Three of these hinted at being KNR genes.

634 When we focused on the transcription factor KLF16, not previously associated with bone

635 formation, we observed some implications for its involvement in osteogenic differentiation.

636 Overexpression of *Klf16* reduced matrix maturation during MC3T3-E1 differentiation.

637 Conversely, *Klf16*-haploinsufficient mice showed altered bone characteristics, including

638 increases in whole body BMD, femoral bone volume to total tissue volume, trabecular

639 bone thickness, and cortical bone area, which suggests KLF16's regulatory function in

640 restraining bone formation.

641 Encoded as a C2H2-type zinc finger transcription factor, KLF16 has affinity for GC

642 and GT boxes, displacing TFs SP1 and SP3 in neural settings (Wang et al., 2016). These

643 TFs, when attached to certain promoters, play roles in osteogenic differentiation (Le Mée

644 et al., 2005). Furthermore, KLF16 targets specific metabolic genes, including estrogen-

645 related receptor beta (ESRRB) and PPARA (Daftary et al., 2012; Sun et al., 2020). Also,

646 our TF regulatory network found that *KLF16* is associated with Notch signaling and

647 TGFβ/BMP-SMAD signaling pathways, and regulation of ncRNA transcription. This paints

648 a broad canvas of potential regulatory mechanisms for KLF16 in bone dynamics.

649 Furthermore, other members from the KLF family, especially *KLF4* (module 1), *KLF5*

650 (module 5), and *KLF15* (module 3) (Supplementary Table 4), significantly influence

651 skeletal development (Li et al., 2021; Shinoda et al., 2008; Song et al., 2017; Yu et al.,

30

652 2021; Zakeri et al., 2022). *KLF5,* co-existing with KLF16 in module 5, curtails

653 osteogenesis by inhibiting β-catenin through DNMT3B-induced hypermethylation (Li et

654 al., 2021). KLF4's modulation of osteogenic differentiation hinges on the BMP4-

655 dependent pathway, resulting in reduced osteoblast numbers in deficient mice (Yu et al.,

656 2021). Meanwhile, KLF15 enhances chondrogenic differentiation via the TF SOX9

657 promoter (Song et al., 2017). The roles of KLF6 and KLF9 (modules 3 and 2) in bone

658 metabolism remain less defined (Zakeri et al., 2022). Collectively, these findings underline

659 the KLF family's complex involvement in osteogenesis.

660 Interestingly, KLF16 was upregulated in the MSCs of five elderly patients (79-94

661 years old) suffering from osteoporosis compared to five age-matched controls in a

662 previous study (Benisch et al., 2012). A following study identified KLF16 as one of the key

663 TFs whose targets were enriched from the DEGs in the MSCs of the osteoporosis patients

664 versus controls (Liu et al., 2019). The inhibitory role of KLF16 in osteoblast differentiation

665 identified in our study supports the hypothesis that the overexpression of *KLF16* might

666 contribute to osteoporosis, and KLF16 could be a potential therapeutic target for

667 osteoporosis.

668 Taken together, the differentiation from iPSC-derived MSC to OB presents a

669 promising model to explore the gene expression and networks in osteogenic

670 differentiation. Our study offers insights into the intricate, layered, and diverse landscape

671 of osteogenic differentiation regulation, encompassing TFs, lncRNAs, differential splicing,

672 and their reciprocal regulations. This information serves as a foundational resource for

673 delving deeper into physiological osteogenesis processes and decoding the complexities

674 of pathological bone formation. Furthermore, this experimental model might hold potential

675 for therapeutic research, possibly aiding treatments for conditions like osteoporosis and

676 osteomalacia.

677

678

Methods

679 **Methods**

680 **Human subjects**

681 The twenty human subjects included in this study were in good general health. The study

682 protocols and informed consent were approved by the Institutional Review Board (IRB)

683 of Stanford University and the IRB of the Icahn School of Medicine at Mount Sinai. Each

684 subject gave written informed consent for study participation. Height and weight for each

685 subject were measured while wearing light clothing and with no shoes. See

686 Supplementary Table 1 for complete demographic metadata.

687

688 **Animal care and use**

689 The $Klf16^{+/-}$ mouse strain was generated on the C57BL/6NJ genetic background by the

690 Knockout Mouse Phenotyping Program (KOMP) at The Jackson Laboratory using

691 CRISPR technology as described in the above text. Mouse procedures were in

692 compliance with animal welfare guidelines mandated by the Institutional Animal Care and

693 Use Committee (IACUC) and Institutional Biosafety Committee (IBC) at The Jackson

694 Laboratory. Genotyping was performed by real-time PCR of DNA extracted from tail

695 biopsies. A detailed protocol can be found on The Jackson Laboratory website.

696

697   Cell lines

698   MC3T3-E1 Subclone 4 line (ATCC, CRL-2593, sex undetermined) was purchased directly

699   from the ATCC. Mouse Embryonic Feeders were purchased from GlobalStem (Cat#

700   GSC-6001G). Human iPSC lines were generated in this study. The cells were maintained

701   at 37°C with 5% CO2.

702

703   **Peripheral blood mononuclear cell (PBMC) and dermal fibroblast isolation**

704   The twenty human subjects included in this study were in good general health. The study

705   protocols and informed consent were approved by the Institutional Review Board (IRB)

706   of Stanford University and the IRB of the Icahn School of Medicine at Mount Sinai. Each

707   subject gave written informed consent for study participation. Height and weight for each

708   subject were measured while wearing light clothing and with no shoes. See

709   Supplementary Table 1 for complete demographic metadata. PBMCs were isolated as

710   we previously described (Carcamo-Orive et al., 2017). Briefly, blood was drawn in tubes

711   containing sodium citrate anticoagulant solution (BD Vacutainer CPT mononuclear cell

712   preparation tube, 362760). PBMCs were separated by gradient centrifugation. The cells

713   were then frozen in RPMI medium (MilliporeSigma, R7388) supplemented with either 12.5%

714   human serum albumin and 10% DMSO (MilliporeSigma, D2438) or 10% fetal bovine

715   serum (FBS) (MilliporeSigma, F4135) and 10% DMSO, and stored in liquid nitrogen for

716   later use. The detailed protocol for dermal fibroblast isolation can be found in our previous

717   publication (Schaniel et al., 2021). Briefly, a skin sample was taken from each of the

718   clinically healthy subjects using a 3 mm sterile disposable biopsy punch (Integra Miltex,

719   98PUN3-11). Each sample was cut into smaller pieces and placed into gelatin-coated

33

tissue culture dishes with DMEM (Thermo Fisher Scientific, 10567022) supplemented

with antibiotics, 20% FBS, non-essential amino acids (Thermo Fisher Scientific,

11140050), 2mM L-glutamine (Thermo Fisher Scientific, 25030081), 2 mM sodium

pyruvate (Thermo Fisher Scientific, 11360070), and 100 µM 2-mercaptoethanol (MP

Biomedicals, C194705) to establish fibroblast lines. Fibroblasts were harvested using

TrypLE Express (Thermo Fisher Scientific, 12605010) and passaged at a 1 to 4 split ratio.

Fibroblasts were cryopreserved in 40% DMEM, 50% FBS, and 10% DMSO.

iPSC generation

Erythroblast protocol

The detailed erythroblast reprogramming process can be found in our previous

publication (Carcamo-Orive et al., 2017). Briefly, PBMCs were thawed, and the

erythroblast population was expanded for 9–12 days until approximately 90% of cells

expressed CD36 and CD71. These expanded erythroblasts were reprogrammed by

transduction with Sendai viruses (SeV) expressing factors Oct3/4, Sox2, Klf4, and c-Myc

using the CytoTune™-iPS 2.0 Sendai Reprogramming kit (Thermo Fisher Scientific,

A16518) according to manufacturer's protocol.

Fibroblast protocol

The detailed fibroblast reprogramming process can be found in our previous publication

(Schaniel et al., 2021). Briefly, mycoplasma-free fibroblasts at passage number 3-5 were

reprogrammed using the mRNA reprogramming Kit (Stemgent, 00-0071) in combination

34

743 with the microRNA booster kit (Stemgent, 00-0073) according to the manufacturer's

744 protocol.

745

746 **iPSCs expansion and characterization**

747 To establish iPSCs, the cells were cultured on Matrigel (BD Bioscience, 354230-10, or

748 Corning, 254248) in feeder-free conditions and maintained in mTeSR1 (Stem Cell

749 Technologies, 05850). The iPSCs were passaged every 5-7 days after clones were

750 picked. To ensure the high quality of the iPSC lines used in this study, those lines

751 generated with Sendai virus first underwent virus clearance by continuous passaging. To

752 measure the loss of SeV in the iPSCs generated from erythroblasts with SeV, quantitative

753 RT-PCR was performed according to the SeV reprogramming kit manufacture protocol.

754 For quality control, G-banded karyotyping, ALP staining, iPSC pluripotency marker

755 immunocytochemistry, and embryoid body formation analysis (Yaffe et al., 2016) were

756 performed. Differentiating colonies were routinely eliminated from the cultures. All the

757 lines included in the current study had normal karyotypes, exhibited human embryonic

758 stem cell morphology, and expression of ALP and pluripotency markers NANOG, SOX2,

759 OCT4, SSEA4, and TRA-1-60. Further, embryoid body (EB) formation and differentiation

760 assays demonstrated their competence for differentiation into all three germ layers. We

761 excluded samples where any of these characterizations were abnormal (Daley et al.,

762 2009; Yaffe et al., 2016).

763

764 **Mycoplasma quality control**

765 Mycoplasma testing of the cells was performed intermittently during culture. Cultures

766 were grown in the absence of antibiotics for at least three days before testing. The culture

767 medium or the DNA harvested from the cultures were tested for mycoplasma

768 contamination using a MycoAlert Mycoplasma Detection Kit (Lonza, LT07-418) or e-Myco

769 PLUS PCR Detection Kit (BOCA scientific, 25237).

770

771 **Alkaline Phosphatase Staining**

772 A high level of ALP expression can characterize the undifferentiated state of iPSCs. ALP

773 is also an osteogenic marker. ALP staining was performed on iPSCs and to monitor the

774 osteogenic differentiation process. Cells cultured on plates were briefly washed with

775 phosphate-buffered saline (PBS), fixed in 4% PFA for 3 minutes at room temperature,

776 and then stained with Alkaline phosphatase kit II (Stemgent, 00-0055) according to the

777 manufacturer's instructions.

778

779 **iPSC embryoid body analysis**

780 iPSC embryoid body formation and characterization were performed as previously

781 described with modifications (Lin and Chen, 2008). Briefly, iPSCs were cultured in

782 mTeSR1 medium on Matrigel-coated plates, and the medium was changed daily. On the

783 day of EB formation, when the cells grew to 60-80% confluence, cells were washed once

784 with PBS and then incubated in Accutase for 8-10 minutes to dissociate colonies to single

785 cells and resuspended with mTeSR1 containing 2uM Thiazovivin. To form self-

786 aggregated EBs, single iPSCs were transferred into an ultra-low attachment plate

(Corning, CLS3471) via 1:1 or 1:2 passage. EBs were aggregated from iPSCs for three

days, then were transferred to 0.1% gelatin-coated 12 well plates and maintained in

embryoid body medium (DMEM/F12 supplemented with 10% FBS, 2mM L-glutamine, 0.1

mM non-essential amino acids, and 0.1mM 2–mercaptoethanol) for another ten days for

the spontaneous generation of three germ layers with medium changed every other day.

Fluorescent immunostaining was performed to detect the expression of markers of the

three germ layers.

Fluorescence immunocytochemistry

The cells cultured on plates were briefly washed with PBS, fixed in 4% paraformaldehyde

(PFA) in PBS for 15 minutes, washed with PBS three times, and then permeabilized with

0.2% Triton in PBS for 15 mins. The cells were then washed with PBS three times prior

to blocking with 1% bovine serum albumin (BSA) (MilliporeSigma, A8412) in PBS for 1

hour at room temperature and incubating with primary antibody 1:100 to 1:900 dilutions

in 0.1% BSA in PBS for overnight at 4°C. Washing three times was conducted with PBS

followed by incubation with a corresponding secondary antibody in 1:500 dilution in 0.1%

BSA for 1 hour at room temperature. After washing with PBS, 1:50,000 diluted Hoechst

(Thermo Fisher Scientific, H1398) was added to stain nuclei for 5 minutes, followed by

washing with PBS three times and imaging. The following primary antibodies were applied

to detect the expression of iPSC markers: anti-TRA-1-60 (Invitrogen, 41-1000, 1/100),

anti-SSEA4 (Invitrogen, 41-4000, 1/200), anti-NANOG (Abcam, ab109250, 1/100), anti-

OCT-4 (Cell signaling technology, 2840S, 1/400), and anti-SOX2 (Abcam, ab97959,

1/900). To detect the expression of the markers of three germ layers, anti-AFP (Agilent,

810 A0008, 1/100) for endoderm, anti-α-SMA (MilliporeSigma, A5228, 1/200) for mesoderm,

811 and anti-TUBB3 (MilliporeSigma, T2200, 1/200) for ectoderm were used. All the Alexa-

812 conjugated secondary antibodies used were from Invitrogen: anti-mouse Alexa Fluor 488

813 (A-11029), anti-rabbit Alexa 488 (A-21206), and anti-rabbit Alexa 594 (A-11037).

815 **G-banding karyotyping**

816 Karyotype analysis was performed on all iPSC lines by the Human Genetics Core facility

817 at SEMA4. iPSCs were cultured on Matrigel-coated T25 flasks before karyotyping and

818 reached approximately 50% confluence on the day of culture harvest for karyotyping.

819 Twenty cells in metaphase were randomly chosen, and karyotypes were analyzed using

820 the CytoVision software program (Version 3.92 Build 7, Applied Imaging).

822 **Differentiation of iPSCs to MSCs**

823 In vitro differentiation of iPSCs to MSCs was carried out with commercial cell culture

824 media according to the manufacture protocols with modifications. Briefly, iPSC colonies

825 were harvested with Accutase (Innovative Cell Technologies, AT-104) and seeded as

826 single cells on a Matrigel-coated plate in mTeSR1 and supplemented with 2uM

827 Thiazovivin. The next day, TeSR1 medium was replaced with STEMdiff mesoderm

828 induction medium (MIM) (Stem Cell Technologies, 05221) when cells were at

829 approximately 20 - 50% confluence. Cells were then fed daily and cultured in STEMdiff

830 MIM for four days. On day 5, the culture medium was switched to MesenCult-ACF

831 medium (Stem Cell Technologies, 05440/8) for the rest of the MSC induction duration.

832 Cells were passaged as necessary using MesenCult-ACF Dissociation Kit (Stem Cell

Technologies, 05426). Cells were subcultured onto Matrigel at the first passage to avoid

loss of the differentiated cells before tolerating the switch to MesenCult-ACF attachment

substrate (Stem Cell Technologies, 05448). For passage two or above, cells were

subcultured on MesenCult-ACF attachment substrate. After three weeks of differentiation,

the cells were sorted for the CD105 (BD Biosciences, 561443, 1/20) positive and CD45

(BD Biosciences, 555483, 1/5) negative MSC population (Giuliani et al., 2011; Kang et

al., 2015) using BD FACSAria II in the Mount Sinai Flow Cytometry Core Facility, and

then expanded in MSC medium consisting of low-glucose DMEM (Gibco, 10567022)

containing 10% FBS (Sotiropoulou et al., 2006). After expansion, a few MSC lines were

further examined by BD CantoII for expression of other MSC positive surface markers

CD29 (Thermo Fisher Scientific, 17–0299, 1/20), CD73 (BD Biosciences, 561254, 1/20),

CD90 (BD Biosciences, 555595,1/ 20), absence of other negative surface markers CD31

(BD Biosciences, 561653, 1/20), CD34 (BD Biosciences, 560940, 1/5), and retention of

marker CD105 positivity and CD45 negativity as well.

Fluorescence activated cell sorting (FACS) and analysis

Single cells were washed with FACS buffer (PBS supplemented with 1% FBS and 25mM

HEPES (Thermo Fisher Scientific, 1688449)) twice, resuspended to a concentration of

$1X10^7$ cells/ml in ice-cold FACS buffer, and incubated with the above conjugated

antibodies for 30 minutes at 4° in the dark. Stained cells were then washed with FACS

buffer three times before FACS or flow cytometry analysis. Flow cytometry data were

analyzed with BD FACSDiva software.

856 **Differentiation of iPSC-derived MSCs to osteoblasts**

857 iPSC-derived MSCs were plated in a 6-well plate at a density of $3X10^3$ /cm^2 in MSC

858 medium. After three days, the culture medium was switched to osteogenic differentiation

859 medium (α MEM (Thermo Fisher Scientific, A1049001) supplemented with 10% FBS, 1%

860 non-essential amino acids, 0.1 uM dexamethasone (MilliporeSigma, D4902), 10 mM β-

861 glycerophosphate (MilliporeSigma, G9422), and 200 uM ascorbic acid (MilliporeSigma,

862 A4544)) (Barberi et al., 2005; Holmes et al., 2020; Lee et al., 2015) and maintained in this

863 medium for 21 days. The culture medium was changed every 2-3 days. Cells were

864 harvested for total RNA isolation and RNA sequencing at day 0, day 7, and day 21 of

865 differentiation, as indicated in the main text. ALP staining, and alizarin red staining and

866 von Kossa staining, were employed to examine bone ALP expression and mineralization,

867 respectively.

868

869 **Alizarin red staining and von Kossa staining**

870 Mineralization of osteoblast extracellular matrix was assessed by both alizarin red

871 staining and von Kossa staining. Cells were washed briefly with PBS, fixed with 4% PFA

872 for 15 minutes, and washed with deionized distilled water three times. For alizarin red

873 staining, fixed cells were incubated in alizarin red stain solution (MilliporeSigma, TMS-

874 008-C) with gentle shaking for 30 minutes, followed by washing with water four times for

875 5 minutes each with gentle shaking to remove non-specific alizarin red staining. For von

876 Kossa staining, fixed cells were incubated in 5% silver nitrate solution (American Master

877 Tech Scientific, NC9239431) while exposed to UV light for 20 minutes. Unreacted silver

878 was removed by incubating in 5% sodium thiosulfate (American Master Tech Scientific,

NC9239431) for 5 minutes, followed by washing with water twice. Mineralized nodules

were identified as red spots by alizarin red staining and dark brown to black spots by von

Kossa staining.

RNA-seq library preparation and sequencing

For total RNA isolation, cells were washed with PBS and harvested for RNA extraction

using miRNeasy mini kit (QIAGEN, 217004) according to the manufacturer's instruction.

Illumina library preparation and sequencing were conducted by the Genetic Resources

Core Facility, Johns Hopkins Institute of Genetic Medicine (Baltimore, MD). RNA

concentration and quality were determined using NanoDrop Spectrophotometer (Thermo

Scientific, DE). RNA integrity (RNA Integrity Number, RIN) was verified using Agilent

BioAnalyzer 2100 and the RNA Nano Kit prior to library creation. Illumina's TruSeq

Stranded Sample Prep kit was used to generate libraries. Specifically, ribosomal depleted

RNA was converted to cDNA and size selected to 150 to 200 bp in length, then end-

repaired and ligated with appropriate adaptors. Ligated fragments were subsequently size

selected and underwent PCR amplification techniques to prepare the libraries with a

median size of 150bp. Libraries were uniquely barcoded and pooled for sequencing. The

BioAnalyzer was used for quality control of the libraries to ensure adequate concentration

and appropriate fragment size. Sequencing was performed on an Illumina HiSeq 2500

instrument using standard protocols for paired-end 100bp sequencing. All the samples

were processed in one batch.

RNA-seq pre-processing and gene differential expression analyses

Illumina HiSeq reads were processed through Illumina's Real-Time Analysis (RTA)

software generating base calls and corresponding base call quality scores.

CIDRSeqSuite 7.1.0 was used to convert compressed bcl files into compressed fastq files.

After adaptor removal with cutadapt (Martin, 2011) and base quality trimming to remove

3′ read sequences if more than 20 bases with Q $\geqslant$ 20 were present, paired-end reads

were mapped to the human GENCODE V29 reference genome using STAR (Dobin et al.,

2013) and gene count summaries were generated using featureCounts (Liao et al., 2014).

Raw fragment (i.e., paired-end read) counts were then combined into a numeric matrix,

with genes in rows and experiments in columns, and used as input for differential gene

expression analysis with the Bioconductor Limma package (Ritchie et al., 2015) after

multiple filtering steps to remove low-expressed genes. First, gene counts were converted

to FPKM (fragments per kb per million reads) using the RSEM package (Li and Dewey,

2011) with default settings in strand specific mode, and only genes with expression levels

above 0.1 FPKM in at least 20% of samples were retained for further analysis. Additional

filtering removed genes less than 200 nucleotides in length. Finally, normalization factors

were computed on the filtered data matrix using the weighted trimmed mean of Mvalues

(TMM) method, followed by voom (Law et al., 2014) mean-variance transformation in

preparation for Limma linear modeling. The limma generalized linear model contained

fixed effects for sex (male/female), and cell source (fibroblast/erythroblast) and a random

effect term was included for each unique subject. Data were fitted to a design matrix

containing all sample groups, and pairwise comparisons were performed between sample

groups (i.e., MSC stage, preOB stage, and OB stage). eBayes adjusted p values were

corrected for multiple testing using the Benjamin-Hochberg (BH) method and used to

select genes with significant expression differences (adjusted p value $\leq$ 0.05).

Gene expression patterns

Significantly up- or down-regulated genes identified by the above DEG analyses were

clustered into eight possible patterns based on their up/down expression changes

between MSC to preOB and preOB to OB stages, including up-up, down-down, up-stable,

down-stable, stable-up, stable-down, up-down, and down-up. Gene expression of the

DEGs was normalized by Z-score transformation. Heatmap of Z-score normalized gene

expression of the DEGs in the eight clusters was plotted using Seaborn in Python

(Waskom et al., 2021). Dynamic gene expression change patterns were plotted with

TiCoNE using the log2 fold change of gene expression from MSC to preOB and preOB

to OB stages as input for each of the clusters.

Integration of RNA-Seq data of human primary MSCs and OBs, iPSCs, and tissues

in GTEx

GTEx gene expression data (version 7) and metadata were downloaded from the GTEx

website (Ardlie et al., 2015). Raw counts were extracted for the brain, heart, kidney, liver,

lung, muscle, nerve, ovary, testis, and thyroid tissues. After filtering the lowly expressed

genes (1CPM in less than 20% samples), normalization factors were computed using the

weighted trimmed mean of M-values (TMM) method, followed by the voom mean-

variance transformation (Law et al., 2014). The Human iPSC dataset was from our

previous publication, deposited in the GEO database with accession number GSE79636

(Carcamo-Orive et al., 2017). Two datasets for each of primary human MSC and OB cell

type were collected from the GEO accessions GSE94736 (Roforth et al., 2015) and

GSE118808 (Kaczynski et al., 2003; Ma et al., 2019), and GSE55282 (Rojas-Peña et al.,

2014) and GSE75524 (Al-Rekabi et al., 2016), respectively. All the datasets were filtered

and normalized in the same way as the GTEx data. Genes from all the datasets were

intersected to obtain shared genes. Gene expression levels of the shared genes were

extracted from all the datasets. Principal component analysis (PCA) was performed on

the extracted and combined gene expression matrix. Multi-dimensional scaling was used

to visualize the top 2 principal components.

Gene ontology and reactome pathway enrichment analyses

Gene ontology (GO) biological process (BP), molecular function (MF), and cellular

component (CC), and Reactome pathway enrichment analyses were performed using the

PANTHER classification system (www.pantherdb.org) (Mi et al., 2019a). The statistical

overrepresentation test in PANTHER was fulfilled by Fisher's exact test together with FDR

multiple test correction to identify enriched GO categories and Reactome Pathways

among the input genes relative to the indicated reference list as stated in figure legends

(Carbon et al., 2019; Mi et al., 2019b). We filtered enrichment tests using FDR $\leq$ 0.05.

965
Transcription factor network analysis

We downloaded the ChIP-seq and Chip-Exo datasets of DNA binding peaks of human

transcription regulators (TRs), where the overwhelming majority are TFs, from ReMap

2020 (Chèneby et al., 2020). We extracted the genomic coordinates of the transcription

start sites of human genes from Ensembl Human Genes GRCh37.p13, and then applied

BedTools v2.3.0 to identify the target TR genes of a TR by checking the intersection of

the latter TR's binding peaks and the 2kb window before and after the transcription start

sites of the target TR genes (Quinlan and Hall, 2010). We used the Python package

scipy.stats.pearsonr to calculate the correlation coefficient between the expression of TR

genes (Hao et al., 2015; Jiang et al., 2014; Virtanen et al., 2020; Zhu et al., 2015). The

regulatory relationship between TRs was predicted using two criteria: (1) the binding site

peaks of a TR are within the distance of 2kb upstream or downstream of the known

transcription start sites of the target TRs; and (2) the absolute value of the correlation

coefficient between the TR genes is greater than 0.6 and adjusted p value is less than

0.05 (Camacho et al., 2005). We then used Gephi 0.9.2 to generate and visualize the

regulatory network, where each node was defined as a TR gene, and two nodes were

connected by an edge when ReMap data demonstrated regulation between the two TRs,

and our RNA-seq data also showed expression correlation between them. Furthermore,

the network community detection hierarchical algorithm was applied to determine

relationships between subsets of the whole network and define modules. Betweenness

centrality for each of the nodes was calculated and then used to rank node sizes (Bastian

et al., 2009).

LncRNA analysis

All the lncRNA and protein-coding genes detected in our dataset were used to identify

their neighborships. The genomic coordinates of the lncRNA genes and the transcription

start sites of the protein-coding genes were extracted from Ensembl Human Genes

GRCh37.p13. We identified the neighboring coding genes of the lncRNA genes by

intersecting the lncRNA genomic coordinates with the 10kb windows before and after the

transcription start sites of the protein-coding genes using BedTools v2.3.0 (Cabili et al.,

2011; Quinlan and Hall, 2010; Ransohoff et al., 2018). In each of the comparisons of the

MSC to preOB and preOB to OB stages, the paired lncRNA and neighboring protein-

coding genes were sorted into three groups: pairs with up-regulated lncRNAs, pairs with

down-regulated lncRNAs, and pairs with non-DE lncRNAs. The expression changes of

the paired neighboring coding genes of each group were then compared. In addition, we

randomly paired DE lncRNAs with coding DEGs outside the 10kb neighboring area and

analyzed the density of the correlations of expression of lncRNAs and their pairwise

DEGs with Python seaborn.kdeplot (Waskom et al., 2021, Rosenblatt, 1956).

1004

Analysis of local splicing differences

Local splicing analysis was performed in an annotation-free approach using LeafCutter

as we previously described (Holmes et al., 2020). Briefly, we used LeafCutter to first find

clusters of variably spliced introns across all samples and then to identify differential

splicing between osteogenic stages, modeling intron clusters using the Dirichlet-

Multinomial generalized linear model (GLM) (Li et al., 2018). We used LeafCutter to find

intron clusters as follows: overlapping introns (i.e., exon junction-spanning reads) were

clustered and filtered to keep intron clusters supported by at least 25 split reads across

all samples, retaining introns of up to 100 kb and accounting for at least 1% of the total

number of reads in the entire cluster. This yielded 17,270 clusters encompassing 32,542

introns in 9,505 genes from MSC to preOB stages and 33,033 introns in 9,517 genes

from preOB to OB stages that were used for further analysis. This intron count file was

then used in the differential splicing analysis. DS intron clusters were identified in pairwise

analyses between sample groups (MSC stage compared to preOB stage and preOB

stage compared to OB stage), using the same generalized linear model as used for

differential gene expression analysis. After discarding introns that were not supported by

at least one read in 5 or more samples, clusters were analyzed for DS if at least three

samples in each comparison group had an overall coverage of 20 or more reads. P values

were corrected for multiple testing using the BH method and used to select clusters with

significant splicing differences (FDR $\leq$ 0.05).

1025

1026 Gene co-expression network analysis and key driver analysis

Gene co-expression network was constructed using the R package MEGENA v1.3.7

(Song and Zhang, 2015). The same filtered, normalized, and covariate-adjusted gene

expression data matrix used in the differential gene expression analysis was used as

input for MEGENA. Specifically, the Pearson correlation was used to calculate significant

correlations between gene pairs among the 60 samples. With a cutoff of 0.05 FDR,

significant correlations were identified by 100 permutations of the gene expression matrix.

Next, planar filtered network construction and multi-scale clustering analysis were

performed. Finally, significant modules were identified at a 5% FDR with 100 times of

network permutation. Modules of smaller than 50 genes or larger than 5,000 genes were

excluded from the downstream analyses. Enrichment analysis was performed between

the modules and DEG signatures between MSC and preOB stages and between preOB

and OB stages through Fisher's exact test. BH procedure was applied to the p-values to

correct for multiple-testing (Yoav Benjamin, 1995). Modules were visualized using the

Cytoscape (Otasek et al., 2019). Sunburst plots of modules were visualized using the R

package *sunburstR* v2.1.5. We used all the MEGENA nodes and edges as input in the

key driver analysis to identify global network key drivers that were predicted to modulate

a large number of downstream DEGs in the network (Zhang et al., 2013; Zhang and Zhu,

2013). For each gene in the MEGENA network, we tested whether the network

neighborhood of the gene was enriched with the DEG signature. Specifically, we tested

if the nodes within a path length of 6 steps of the candidate key driver gene were enriched

for the DEGs using Fisher's Exact test. The p-values were then corrected by the

Bonferroni procedure to adjust for multiple comparisons.

Processing of comparative single-cell pseudobulk data

scRNA-seq data (GEO accession: GSE181744) from our previous publication (Housman

et al., 2022), which includes mixtures of iPSC-derived, MSC osteogenic differentiations

from different species, was used as a comparative dataset. To maximize the comparative

utility of these data, we re-processed the raw scRNA-seq data to obtain pseudobulk

expression values for all genes annotated in the human genome and for cell types of

interest from the six humans and one human technical replicate included in this dataset.

Briefly, reads were processed using standard 10X Genomics Cell Ranger 3.1.0 pipelines

(Zheng et al. 2017) that extracted 10X cell barcodes and UMIs and aligned the remaining

reads to the human genome (hg38). Human cells and specific cell types of interest (MSCs,

osteogenic cells, preosteoblasts, osteoblasts, embedding osteoblasts, mineralizing

osteoblasts, and maturing osteocytes) were isolated from the newly processed data using

species assignments and cell classifications (Housman et al., 2022). Lastly, single-cell

gene count data were consolidated to produce pseudobulk expression values for each

unique grouping of individual, replicate, and cell classification. Specifically, these

pseudobulk data were defined as the sum of raw single-cell UMI counts within each

individual-replicate for a given cell classification. Computational scripts for these

processing steps can be found on GitHub at https://github.com/ghousman/human-

skeletal-scRNA. Pseudobulk data were filtered and normalized as described above.

1068

Lentivirus stable cell line generation

Lentiviral transduction of MC3T3-E1 Subclone 4 cells (ATCC, CRL-2593) was performed

as we previously described with modifications (Holmes et al., 2020). Cells were infected

by incubating in lentivirus-containing cell culture medium at a multiplicity of infection (MOI)

of 100 in the presence of 6 µg/ml polybrene for 24 hours. The selection was performed

with 2 µg/ml puromycin for 12 days until EGFP expression was observed in 100% of cells,

no further cell death was observed, and no live cells remained in non-transduction

negative control dish. Selected cells were expanded and cryopreserved. EGFP

expression was monitored routinely, and additional selection was performed when

necessary.

1079

MC3T3-E1 osteoblast differentiation assay

Osteoblast differentiation of MC3T3-E1 transfected with lentivirus vectors containing

either *Klf16* cDNA or a 300bp nonfunctional stuffer sequence was performed as follows:

cells were plated in 6-well plates at a density of $3X10^3$ /cm^2 in MC3T3-E1 maintenance

medium (αMEM supplemented with 10% FBS). After three days, the culture medium was

switched to osteogenic differentiation medium (Barberi et al., 2005; Holmes et al., 2020;

Lee et al., 2015), and cells were maintained in this medium, which was replenished every

1087 two days for 21 days. Triplicate experiments, each having triplicate wells, were carried

1088 out for both control and *Klf16*-overexpressing cells.

1089

1090 **RT-qPCR**

1091 The RT-qPCR method was used to assess gene expression in stable lentiviral MC3T3-

1092 E1 cell lines. When cells were plated in 6 well plates for osteogenic differentiation as

1093 described above, one parallel well was used for RNA isolation after being cultured in

1094 MC3T3-E1 maintenance medium for three days before switching to osteogenic medium.

1095 Total RNA was extracted with the RNeasy Kit (Qiagen, 74106) according to the

1096 manufacturer's protocol. cDNA was synthesized with AffinityScript One-Step RT-PCR Kit

1097 (Agilent, 600188). Each cDNA sample was amplified in triplicate using the SYBR Green

1098 and Platinum Taq polymerase (Thermo Fisher Scientific, S7567) on a 7900HT Real-Time

1099 PCR instrument (Thermo Fisher Scientific, 10966). The housekeeping gene *Actb* was

1100 used as the reference. mRNA relative expression was calculated by the ΔΔCt method.

1101 qPCR primers used are listed in the Supplementary Table 8.

1102

1103 **Whole body bone mineral density**

1104 Bone mineral density (BMD) was scanned with a Dual Energy X-ray Absorptiometry

1105 (DEXA) Analyzer (Lunar, Piximus II, GE Medical System). Mouse weight and length were

1106 measured (nose to the beginning of tail) before scanning. Each unconscious mouse was

1107 placed in the DEXA analyzer. A scout-scan was performed. The analysis was conducted

1108 on a whole body scanning, excluding the head. The mouse was removed once the image

1109 was captured and placed on a heated mat set at 37°C in a cage and closely monitored

1110 until consciousness was regained.

1111

1112 **Microcomputed tomography**

1113 Femurs were isolated by removing attached soft tissues, fixed in 4% PFA at 4°, and

1114 imaged with microcomputed tomography (microCT) scan (Skyscan 1172a, Skyscan,

1115 Belgium) at 50 kV and 200 µA using a 0.5 mm aluminum filter and an image voxel size of

1116 4.5 µm isotropic. Images were captured every 0.7°, with 8✗ averaging, through 180°

1117 rotation of each bone and reconstructed using Skyscan nRecon software. Imaging

1118 analysis of the metaphyseal regions of each femur was performed by first determining a

1119 reference point of the most proximal slice where the growth plate had begun to disappear.

1120 Offsets of 101 slices and 501 slices from the point of reference in the growth plate were

1121 used for trabecular and cortical analyses, respectively, with Skyscan CTAn software.

1122 Volume visualization was performed in Avizo 2020.2 (Thermo Fisher Scientific). Data

1123 were reported in the standard format used by The American Society for Bone and Mineral

1124 Research (ASBMR) (Parfitt et al., 1987).

1125

1126 **Statistical analyses**

1127 Statistical analyses were performed with Microsoft Excel using Student's t-test to create

1128 graphs displaying mean values with error bars corresponding to the standard error of the

1129 mean (SEM) for *Klf16* in vitro overexpression and animal experiments. p value $\leq$ 0.05 was

1130 considered significant. Sample sizes are indicated in figure legends. Image analyses were

1131 performed with Fiji (National Institutes of Health).

1132

Data availability

1134 The RNA-seq data supporting the findings of this study are deposited in Gene Expression

1135 Omnibus (GEO) with accession number GSE200492. All the other relevant data

1136 presented in this paper will be made available from the corresponding author upon

1137 reasonable request. Source data are provided with this paper.

1138

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Ethics declarations

1843 Competing interests

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 Figure titles and legends

 Fig. 1 Generation of healthy human iPSCs and osteogenic differentiation

 transcriptomic data. a Flowchart of iPSC establishment, iPSC-derived MSC generation,

 MSC to OB differentiation (preOBs, preosteoblasts; OBs, osteoblasts), and RNA-seq data

 generation and analyses. **b** In vitro osteogenic differentiation of MSCs (Day 0), preOBs

 (Day 7), and OBs (Day 21) stained with alkaline phosphatase (ALP), alizarin red, and von

 Kossa. **c** Expression level of known osteogenic genes at the three osteogenic stages.

 Data are shown as mean $\pm$ SEM. * MSC vs preOB, # preOB vs OB, or + MSC vs OB,

 adjusted p value < 0.0001. **d** Principal component analysis (PCA) of RNA-seq data from

 our iPSC-derived MSCs and differentiated OBs as well as previously published human

 primary MSCs and OBs, iPSCs, and other tissues in GTEx.

 Fig. 2 Gene expression profile during osteogenic differentiation. a Heatmap showing

 hierarchical clustering of 60 RNA-seq datasets from 20 iPSC-derived MSC, preOB, and

 OB lines (columns) and significant differentially expressed genes (DEGs) (rows), fold

 change $\geq$ 1.2 and adjusted p $\leq$ 0.05. Up-regulated and down-regulated gene expression

 is colored in red and blue, respectively. **b** Clustering of DEGs according to their

 expression profiles during differentiation, visualized with the TiCoNE Cytoscape app

 (Wiwie et al., 2019). In each plot, colored lines represent individual genes, and the black

 line represents cluster means. **c** Pie chart showing the number and percent of DEGs for

 each cluster. **d** Histogram chart showing the percentage distribution of transcription factor

 (TF), non-TF, and long noncoding (lnc) RNA DEGs in the eight clusters. Distribution

1869   correlation coefficient ρ = 0.9 between TF and lncRNA, 0.7 between TF and non-TF

1870   protein-coding genes, and 0.6 between lncRNA and non-TF coding genes. **e** Top

1871   significantly enriched gene ontology (GO) biological process (BP) terms of DEGs for each

1872   cluster.

1873

Fig. 3 Complex TF-TF regulatory network in osteogenic differentiation. a Principal

component analysis (PCA) of all 20 healthy cell lines at three stages of osteogenic

differentiation using all differentially expressed genes (DEGs). **b** PCA using only

differentially expressed TF genes. **c** Transcriptional regulator, mainly TF networks, during

osteogenic differentiation. Each node represents a transcriptional regulator, with known

bone formation associated regulators underlined in red. Two nodes are connected by a

line where ReMap data suggest regulation and our RNA-seq data suggest the association

between them. Nodes labeled with the gene name represent the top 100 strongest

transcriptional regulators based on betweenness centrality. The size of the nodes reflects

the regulation strength of the regulator, with the top 5 strongest circled in pink. **d** and **e**

Top significantly enriched GO BP terms in **d** and Reactome pathways in **e** of

transcriptional regulators in each network module.

1886

1887   **Fig. 4 lncRNA expression profiles discriminate osteogenic differentiation stages. a**

1888   PCA of differentially expressed lncRNA genes from all 20 healthy cell lines at three stages

1889   of osteogenic differentiation. **b** and **c** Bean plots showing the expression fold change (FC)

1890   of the protein-coding DEGs near up-regulated, down-regulated, and non-differentially

1891   expressed lncRNA genes from MSC to preOB stages (p < 0.0001, by Kruskal-Wallis rank

1892 sum test) in **b** and from preOB to OB stages (p < 0.0001) in **c**. The individual observations

1893 are shown as small horizontal lines in a one-dimensional scatterplot, and the average is

1894 indicated as the long horizontal line. The estimated density of the distributions is visible.

1895 **d** Density of the correlations of expression of DE lncRNAs and their pairwise DE

1896 neighboring protein-coding genes (pink) and that of DE lncRNAs and their randomly

1897 shuffled pairwise DE protein-coding genes outside the neighboring area (blue). **e** Venn

1898 diagram showing the numbers of protein-coding DEGs near up-regulated and down-

1899 regulated lncRNA genes specifically from the MSC to preOB stages as in **b** (blue) or from

1900 the preOB to OB stages as in **c** (orange) and their overlap. Top significantly enriched GO

1901 BP terms of the neighboring differentially expressed protein-coding genes are shown in

1902 the lower panel. **f** Expression of lncRNAs AC005261.1 and FTX during osteogenic

1903 differentiation. Data are shown as mean + SEM. * MSC vs. preOB, # preOB vs. OB, or +

1904 MSC vs. OB, adjusted p value < 0.001.

1905

1906 **Fig. 5 Differential splicing between osteogenic differentiation stages. a** Heatmap of

1907 the expression of 287 splicing factors (SFs) differentially expressed across the MSC,

1908 preOB, and OB stages. **b** Venn diagram showing the numbers of the differentially

1909 expressed SFs from the MSC to preOB stages (blue) and the preOB to OB stages (orange)

1910 and their overlap. Their expression fold changes for both up and down directions between

1911 stages are shown in the lower panel. Center lines show the medians; box limits indicate

1912 the 25th and 75th percentiles; whiskers extend to the minimum and maximum values;

1913 crosses represent sample means. **c** Proportion of the maximum percent spliced-in (PSI)

1914 changes for intron clusters with significant (FDR $\leq$ 0.05) differential splicing (DS)

1915 between stages identified by LeafCutter. **d** Venn diagram showing the numbers of the

1916 differentially spliced genes from the MSC to preOB stages (blue) and the preOB to OB

1917 stages (yellow) and their overlap. Their top enriched GO terms and Reactome pathways

1918 (BP, biological process; MF, molecular function; CC, cellular component; RP, Reactome

1919 pathway) are shown in the lower panel. **e** Overview of a significant DS intron cluster in TF

1920 *NFIX* associated with increased expression of the intron at chr19:13025552-13073047 at

1921 the preOB stage compared to the MSC stage (CTF_NFI_2, CCAAT box-binding

1922 transcription factor_nuclear factor I_2 domain). (*Left*) Increased or decreased intron

1923 usage from the MSC to the preOB stages are indicated in red and turquoise, respectively.

1924 The FDR-corrected p value for the significant DS is indicated in blue above the intron

1925 cluster when it is significant. (*Right*) Details of the significant DS intron cluster indicate the

1926 PSI for each intron at the MSC stage (red) and the preOB stage (fuchsia) and the changes

1927 in PSI (ΔPSI) (blue) between stages. The affected protein domain is highlighted in grey

1928 above the intron cluster. **f** Similar to **e**, but for the lncRNA gene CYTOR. The significant

1929 p value for the DS is indicated above the intron cluster.

1930

1931 **Fig. 6 Gene co-expression network analysis reveals KLF16 plays an important role**

1932 **in osteogenic differentiation. a** Sunburst plots represent the hierarchy structure of the

1933 MEGENA co-expression network constructed on gene expression during the osteogenic

1934 differentiation. The structure is shown as concentric rings where the center ring

1935 represents the parent modules, and outer rings represent smaller child modules.

1936 Subnetwork modules are colored according to the enrichment of differential gene

1937 expression between stages (FDR < 0.05; top, MSC to preOB; bottom, preOB to OB; blue,

1938 down-regulated; red, up-regulated; cyan, both up- and down-regulated). The subnetwork

1939 branch for module M204 is outlined and labeled. **b** Co-expression network module M204.

1940 Diamonds indicate key driver genes, and circles indicate non-key driver genes. Blue

1941 indicates DEGs from MSC to preOB stages, red indicates DEGs from preOB to OB stages,

1942 and cyan indicates shared DEGs for both comparisons. Differentially expressed lncRNA

1943 and SF genes are underlined in fuchsia and green, respectively. Genes known to be

1944 related to bone are in red.

1945

1946 **Fig. 7 Inhibitory role of *Klf16* in osteogenic differentiation. a** The expression of *Klf16*

1947 at three human osteogenic differentiation stages. Data are shown as mean + SEM. * MSC

1948 vs. preOB, # preOB vs. OB, or + MSC vs. OB, adjusted p value < 0.001. **b** Analysis of

1949 *Klf16* expression by RT-qPCR in MC3T3-E1 cells transduced vectors containing either

1950 stuffer sequence or *Klf16* cDNA. Data are presented as the mean $\pm$ SEM (n=3, unpaired

1951 t-test p < 0.01). **c** Osteogenic differentiation of MC3T3-E1 cells without or with

1952 overexpression of *Klf16*, stained for ALP at day seven and alizarin red and von Kossa at

1953 day 14 and 21. **d** Length, fat mass, and lean mass of wild type (WT) and *Klf16*[+/-] mice. **e**

1954 DEXA analysis of whole body (head excluded) bone mineral content (BMC), bone area

1955 (B-area), and bone mineral density (BMD) of WT and *Klf16*[+/-] mice. **f** and **g** Representative

1956 microCT images of distal femur trabecular bone in **f** (*left,* top view; *right,* side view) and

1957 cortical bone in **g** from WT and *Klf16*[+/-] mice. Scale bar: 1 mm. **h** and **i** Graphs show

1958 trabecular bone volume/tissue volume (BV/TV), trabecular thickness (Tb.Th), trabecular

1959 number (Tb.N), and trabecular separation (Tb.Sp) in **h**; cortical bone area (Ct.Ar), cortical

1960 periosteal perimeter (Ct.Pe.Pm), and cortical endosteal perimeter (Ct.En.Pm) in **i**. For **d**,

1961 **e**, **h**, and **i**, data are presented using BoxPlotR (Spitzer, et al., 2014) as the mean $\pm$ SEM

1962 (WT n = 6, *Klf16*$^{+/-}$ n = 6, 3 males and 3 females for each group, aged 17 weeks, paired

1963 t-test, * $p < 0.05$, ** $p < 0.01$).

1964

 Supplemental table titles

 Supplementary Table 1, related to Fig. 1 Sample demographic metadata.

 Supplementary Table 2, related to Fig. 2 and Supplementary Fig. 2 Differential gene

 expression between stages.

 Supplementary Table 3, related to Fig. 2 Differential gene expression patterns and

 gene ontology enrichments.

 Supplementary Table 4, related to Fig. 3b, 3c, 3d, 3e, and Supplementary Fig. 4

 Transcription factor regulatory networks and gene ontology enrichments.

 Supplementary Table 5, related to Fig. 4b, 4c, 4d, and 4e Differentially expressed

 (DE) neighboring protein-coding genes of DE lncRNA genes and gene ontology

 enrichments.

 Supplementary Table 6, related to Fig. 5c, 5d, 5e, 5f, and Supplementary Fig. 5 Local

 splicing differences between differentiation stages and gene ontology enrichments.

 Supplementary Table 7, related to Fig. 6 and Supplementary Fig. 6 Significant

 MEGENA modules.

 Supplementary Table 8, related to Fig. 7 Primers used for *Klf16* in vitro

 overexpression study.

1990   **Supplementary Table 9, related to Supplementary Fig. 7 Pseudobulk gene**

1991   **expression at osteogenic differentiation stages using single-cell RNA-seq data in**

1992   **Housman et al., 2022.**

1993
1994   **Supplementary Table 10. Gene expression in five cell types at 21 days of**

1995   **osteogenic differentiation using single-cell RNA-seq data in Housman et al., 2022.**

Fig. 1

Fig. 2

Fig. 3

Fig. 4

Fig. 5

a

MSC preOB OB

Splicing factor genes

Z-score

b

MSC to preOB   preOB to OB

86   183   18

p < 0.0001

p < 0.001

log₂fold change

up   down

c

- ΔPSI ≥ 20%
- ΔPSI < 20% ≥ 10%
- ΔPSI < 10% ≥ 5%
- ΔPSI < 5% ≥ 2.5%
- ΔPSI < 2.5%

MSC to preOB   preOB to OB

d

1,605   145   115

primary metabolic process - BP
cellular nitrogen compound metabolic process - BP
heterocycle metabolic process - BP
macromolecule metabolic process - BP
metabolic process - BP
nucleic acid metabolic process - BP
organic substance metabolic process - BP
protein metabolic process - BP
regulation of metabolic process - BP
regulation of primary metabolic process - BP
extracellular matrix organization - RP
chromosome organization - BP
histone modification - BP
RNA binding - MF
mRNA binding - MF
protein domain specific binding - MF
transcription factor binding - MF
DNA-binding transcription factor binding - MF
DNA-binding transcription factor activity, RNA polymerase II-specific - MF
transcription coactivator activity - MF
transcription coregulator activity - MF
post-translation protein modification - RP
RNA splicing - BP
RNA splicing, via transesterification reactions - BP
mRNA splicing – major pathway - RP
RNA splicing, via spliceosome - BP
processing of capped intro-containing pre-mRNA - RP
regulation of mRNA splicing, via spliceosome - BP
regulation of RNA splicing - BP
ribonucleoprotein complex - CC

Stages
- MSC to preOB
- preOB to OB

\# of DS genes
- 200   600
- 400   800

-log₁₀(FDR)

e *NFIX*

clu 6826   clu 6827   clu 6828

p value = 2.75 x 10⁻⁷

chr19:13025552-13073047
CTF_NFI_2
clu 6827

ΔPSI = -14.2%
14%
0.8%
86%
99%
ΔPSI = +14.2%

f *CYTOR*

p value = 1.86 x 10⁻¹³
clu 13392

clu 13393

chr2:87455645-87521207
clu 13392

ΔPSI = -5.2%   ΔPSI = -5.2%
8.0%   8.4%
2.8%   2.3%
84%
95%
ΔPSI = +11.3%

Fig. 6

a

MSC to preOB

preOB to OB

652
204
16

■ Up-regulated   ■ Both up and down-regulated
■ Down-regulated   ■ No enrichment

b

Fig. 7

Supplementary Fig. 1 Characterization of normal human iPSCs and iPSC-derived MSCs. a Identification of stem cell markers: ALP staining, fluorescent immunocytochemistry (ICC) of pluripotency markers TRA-1-60, SOX2, OCT4, SSEA4, and NANOG. Scale bar: 100 μm. **b** Embryoid body (EB) formation in suspension from aggregates of iPSCs. ICC of three germ layer markers: AFP, endoderm; α-SMA, mesoderm; and TUBB3, ectoderm. Scale bar: 50 μm. **c** Fluorescence-activated cell sorting of CD105+/CD45- MSCs. FITC, fluorescein isothiocyanate; PE, phycoerythrin. **d** The percentage of mesenchymal surface marker CD105+/CD45- cells in total cells differentiated from iPSCs originated from erythroblasts and fibroblasts. Data are shown as mean + SEM. **e** and **f** Analyses of MSCs after sorting and expansion with flow cytometry for MSC negative markers (CD31, CD34, and CD45) in **e** and MSC positive markers (CD29, CD73, CD90, and CD105) in **f** labeled with different fluorochromes (V450, APC, PE, and FITC). Marker expression is presented as histograms (green). Unstained cells were used as controls (gray). Data are shown as mean + SEM. **g** Gene expression of MSC markers in transcripts per kilobase million (TPM). **h** Spindle-like morphology of iPSC-derived MSCs. Scale bar: 50 μm.

Supplementary Figure 2

Supplementary Fig. 2 Transcriptome-wide differential gene expression. a Gene expression during osteogenic differentiation with the total number of expressed genes and percentages of expressed coding and noncoding genes (middle). Number and percentages of differentially expressed (DE) and non-differentially expressed (non-DE) coding genes (left; TFs and non-TFs (white pie chart)) and of noncoding genes (right). **b** DEGs during osteogenic differentiation with total and percentages of coding and noncoding genes (left), and TFs and non-TFs (right). **c** and **d** Volcano plots illustrate the distribution of down- and up-regulated genes (blue and red, respectively) with adjusted p-values and fold changes when comparing gene differential expression from MSC to preOB in **c** and preOB to OB stages in **d**. Cutoffs of fold change ≥ 1.2 and adjusted p < 0.05 were applied to define DEGs. The total number of up-regulated and down-regulated genes are noted at the top (red and blue, respectively). The genes are labeled for the top five up-regulated (red, bottom right), down-regulated (blue, bottom left), and statistically significant down-regulated (blue, top left) and up-regulated (red, top right), including lncRNA genes (circle). **e** Boxplot showing the gene expression fold changes of down-regulated DEGs (blue, p < 0.0001, by Kruskal-Wallis rank sum test) and up-regulated DEGs (red, p < 0.0001, by Kruskal-Wallis rank sum test) across stages. Center lines show the medians, bottom boundaries of boxes indicate the 25th percentile, and top boundaries of boxes indicate the 75th percentile; whiskers extend to the minimum and maximum values. **f** Histogram showing the percentage of individual classes of DEGs in each cluster.

Supplementary Fig. 3

Supplementary Fig. 3 Characteristics and expression of different types of DEGs. a Boxplots showing the expression of each type of the DEGs at three osteogenic stages. FPKM, fragments per kilobase of transcript per million mapped reads. **b** Boxplots showing the expression fold changes of each type of the DEGs across osteogenic stages. In **a** (differences among TF, non-TF, and lncRNA at MSC, preOB, and OB stages) and **b** (differences among up- and down-regulated TF, non-TF, and lncRNA from the MSC to preOB and from the preOB to OB stages) panels p value < 0.0001 for each of the seven comparisons in both panels, tested by Kruskal-Wallis rank sum test. Center lines show the medians, bottom boundaries of boxes indicate the 25th percentile, and top boundaries of boxes indicate the 75th percentile; whiskers extend to the minimum and maximum values. **c** Pie chart of proportions of DEGs, coding (TF and Non-TF), and lncRNA, with varying numbers of exons during osteogenesis. **d** Genome-wide distributions of DEGs.

Supplementary Fig. 4

Supplementary Fig. 4 Gene Ontology (GO) Enrichment of TF-TF regulatory network modules. a Top enriched GO cellular component (CC) terms of each module. **b** Top enriched GO molecular function (MF) terms of each module.

Supplementary Fig. 5

a

VCAN

p value = 2.4 x 10⁻⁴ │ 3.5 x 10⁻²
clu 10783

chr5:83512396-83537007
CTLD
clu 10783

ΔPSI = -10.7% │ -6.8%
26%
15%
8.2%

ΔPSI = -7.5% │ -3.8%
21%
13%
9.5%

53%
71%
82%

ΔPSI = +18.2% │ +10.6%

b

FN1

p value = 1.38 x 10⁻¹⁶ │ n.s.
clu 13977

p value = 5.57 x 10⁻²⁸ │ 4.5 x 10⁻²
clu 13978

p value = 2.4 x 10⁻⁴ │ n.s.
clu 13979

clu 13980

chr2:215372015-215373322
Fn type III
clu 13977

ΔPSI = -3.3%
ΔPSI = -1.8%
47%
44%
47%
45%
5.8%
11%
ΔPSI = +5.1%

chr2:215379317-215382212
Fn type III
clu 13978

ΔPSI = -13% │ -3.4%
ΔPSI = -9.5% │ -3.3%
49%
37%
33%
36%
27%
23%
15%
37%
43%
ΔPSI = +22.5% │ +6.7%

chr2:215391814-215394528
Fn type III
clu 13979

ΔPSI = -6.1%
17%
11%
83%
89%
ΔPSI = +6.1%

c

MACF1

p value = 3.9 x 10⁻⁴ │ n.s.
p value = 5.2 x 10⁻⁶ │ n.s.
p value = 4.9 x 10⁻⁶ │ n.s.

clu 14702   clu 14703   clu 14704   clu 14705   clu 14706   clu 14707

chr1:39372596-39379203
SPEC
clu 14704

ΔPSI = +2.9%
ΔPSI = +1.6%
42%
45%
52%
53%
6.3%
1.9%
ΔPSI = -4.4%

chr1:39388658-39422374
SPEC
clu 14705

ΔPSI = -13.5%
44%
30%
56%
70%
ΔPSI = +13.5%

chr1:39463686-39468615
GAS2
clu 14706

ΔPSI = +6.1%
ΔPSI = +6.6%
28%
34%
28%
35%
43%
31%
ΔPSI = -12.8%

Supplementary Fig. 5 Differential splicing for genes FN1, VCAN, and MACF1 between osteogenic stages. a Overview of a significant DS intron cluster from the MSC to preOB and then to OB stages in VCAN associated with increased expression of exon at chr5:83512396-83537007. Increased or decreased intron usage from the MSC stage to preOB stages and from the preOB to OB stages are indicated in red or turquoise, respectively. Corrected p values are indicated for the cluster from the MSC to the preOB stages (blue) and from the preOB to OB stages (yellow). Details of the DS intron cluster indicate the PSI for each intron at the MSC (red), preOB (fuchsia), and OB (green) stages and the changes in PSI (ΔPSI) from the MSC to preOB stages (blue) and from the preOB to OB stages (yellow). The affected protein domain is highlighted in grey above the cluster (CTLD, C-type lectin-like domain). **b** Similar to **a** but for the FN1 gene (Fn type III, Fibronectin type III domain). The p values for DS are indicated above each intron cluster when it is significant, not significant (n.s.). **c** Similar to **a** and **b** but for the MACF1 gene (SPEC, Spectrin repeats; GAS2, Growth-arrest-specific protein 2 domain). The p values for DS events are indicated above each intron cluster, not significant (n.s.).

Supplementary Figure 6

Supplementary Fig. 6 Gene co-expression network analysis module M188. a Sunburst plots represent the hierarchy structure of the MEGENA co-expression network constructed on gene expression during the osteogenic differentiation. The structure is shown as concentric rings where the center ring represents the parent modules, and outer rings represent smaller child modules. Subnetwork modules are colored according to the enrichment of differential gene expression between stages (FDR < 0.05; top, MSC to preOB; bottom, preOB to OB; blue, down-regulated; red, up-regulated; cyan, both up- and down-regulated). The subnetwork branch for module M188 is outlined and labeled. **b** Co-expression network module M188. Diamonds indicate key driver genes, and circles indicate non-key driver genes. Blue indicates DEGs from MSC to preOB stages, red indicates DEGs from preOB to OB stages, and cyan indicates the shared DEGs for both comparisons. Differentially expressed lncRNA and SF genes are underlined in fuchsia and green, respectively. Genes known to be related to bone metabolism are in red.

Supplementary Fig. 7

Supplementary Fig. 7 Gene expression pattern across osteogenic differentiation stages using pseudobulk single-cell RNA-seq data in Housman et al., 2022. driver_TF_up: top 5 up-regulated key driver transcription factors; driver_TF_down: top 5 down-regulated key driver transcription factors; TFs: top 5 transcription factors (TFs) based on TF-TF regulatory network; SF_down: top 5 down-regulated splicing factors (SFs); SF_up: top 5 up-regulated splicing factors; osteogenic_markers: known osteogenic markers.