**SUMMARY**

Epigenetic mechanisms regulating lineage differentiation of mammary stem cells (MaSCs) remain poorly understood. Pygopus 2 (Pygo2) is a histone methylation reader and a context-dependent Wnt/β-catenin coactivator. Here we provide evidence for Pygo2’s function in suppressing luminal/alveolar differentiation of MaSC-enriched basal cells. We show that Pygo2-deficient MaSC/basal cells exhibit partial molecular resemblance to luminal cells, such as elevated Notch signaling and reduced mammary repopulating capability upon transplantation. Inhibition of Notch signaling suppresses basal-level and Pygo2-deficiency-induced luminal/alveolar differentiation of MaSC/basal cells, whereas activation of Wnt/β-catenin signaling suppresses luminal/alveolar differentiation and Notch3 expression in a Pygo2-dependent manner. We show that Notch3 is a direct target of Pygo2 and that Pygo2 is required for β-catenin binding and maintenance of a poised/repressed chromatin state at the Notch3 locus in MaSC/basal cells. Together, our data support a model where Pygo2-mediated chromatin regulation connects Wnt signaling and Notch signaling to restrict the luminal/alveolar differentiation competence of MaSC/basal cells.

**INTRODUCTION**

Adult stem cells play important roles in tissue homeostasis and regeneration and serve as cells of origin of some human cancers (Visvader, 2011). Thus, understanding how their lineage differentiation is governed by the interplay between intracellular epigenetic machinery and extracellular signaling will not only provide mechanistic guidance for tissue engineering but also help predict the behavior of heterogeneous tumors. The mouse mammary gland is an excellent model to study adult stem cells because it is a dynamic ductal epithelial organ that develops expands during puberty/pregnancy and regresses to a virgin-like state after lactation (Gjorevski and Nelson, 2011). Mounting evidence argues for a hierarchical organization within the mammary epithelia, leading to a prevailing model that multipotent mammary stem cells (MaSCs) residing within the basal compartment give rise to all lineage-restricted progenitor cells and their mature progenies (Visvader, 2009). Supporting this model, specific sub-populations of mammary epithelial cells (e.g., MaSC-enriched basal cells [MaSC/basal] marked by Lin-CD29hiCD24+ surface marker expression) are able to generate an entire mammary tree that comprises all lineages—the inner layer of ductal and alveolar luminal cells, and the outer layer of basal/myoepithelial cells—upon transplantation into epithelia-cleared fat pads of host mice (Shackleton et al., 2006; Stingl et al., 2006). However, there also exists theorectic and experimental evidence for bidirectional conversion between stem and differentiated mammary epithelial cells (Chaffer et al., 2011; Guo et al., 2012; Gupta et al., 2011). Moreover, recent findings from lineage tracing experiments demonstrate that lineage-restricted basal and luminal progenitor cells drive mammary morphogenesis during postnatal development and pregnancy (van Amerongen et al., 2012; Van Keymeulen et al., 2011). While epigenetic mechanisms likely dictate the restricted lineage progression of MaSC/basal cells under physiological conditions and their impressive plasticity upon transplantation, the actual players that regulate mammary lineage potential remain uncharacterized. Insights into this issue promise to uncover epigenetic principles of lineage differentiation of epithelial stem cells and shed light on the basis of breast cancer heterogeneity.

Central to the “histone code” hypothesis, the complex patterns of histone modifications, such as methylation and acetylation, are recognized and interpreted (“read”) by effector proteins that in turn bring about changes to the chromatin structure that activate or repress transcription (Jenuwein and Allis, 2001). The Pygopus family of highly conserved plant homeo domain (PHD)-containing proteins was initially discovered as transcriptional coactivators of the Wnt/β-catenin signaling pathway (Belenkaya et al., 2002; Jessen et al., 2008; Kramps et al., 2002; Parker et al., 2002; Thompson et al., 2002). Subsequent studies revealed that these proteins possess the ability to directly bind histone H3 that is trimethylated at lysine 4 (H3K4me3, a histone mark associated with active transcription) and thus act as histone methylation readers (Fiedler et al., 2008; Gu et al., 2009; Kessler et al., 2009). Moreover, mammalian Pygopus 2 (Pygo2) participates in “writing” of the histone code by interacting with and recruiting histone-modifying enzymes to target chromatin to facilitate the production of additional active histone marks such as H3K4me3 (Andrews et al., 2008; Chen et al., 2010; Gu et al., 2009; Nair et al., 2008). Germine deletion of Pygo2 results in defective embryonic...
Pygo2 acts in MaSC/basal cells to facilitate differentiation to the luminal-promoting Notch pathway. Finally, we show that Pygo2 is an epigenetic regulator that directly links the self-renewal-promoting Wnt pathway and Notch signaling. Our data highlight Pygo2 as an epigenetic regulator of MaSC/basal fate by suppressing their luminal/alveolar differentiation. We find Pygo2 to maintain an equilibrium between basal and luminal pathways in controlling the decision between self-renewal and differentiation as well as the balance between basal and luminal lineages remains unknown.

In this study, we investigate the involvement of Pygo2 in mammary lineage differentiation. We find Pygo2 to maintain an MaSC/basal fate by suppressing their luminal/alveolar differentiation and show that this occurs at least in part via suppression of Notch signaling. Our data highlight Pygo2 as an epigenetic regulator that directly links the self-renewal-promoting Wnt pathway to the luminal-promoting Notch pathway. Finally, we show that Pygo2 acts in MaSC/basal cells to facilitate β-catenin binding to the Notch3 locus and to maintain Notch3 in a “bivalent” chromatin structure.

**RESULTS**

**Reduced Presence of MaSC/Basal and Luminal Progenitor Cells in Pygo2-Deficient Mammary Epithelia**

Consistent with our previous finding (Gu et al., 2009), fluorescence-activated cell sorting (FACS) analysis revealed a reduced number of MaSC-enriched Lin−CD29hiCD24+ basal/myoepithelial (MaSC/basal) cells relative to the total Lin− population in adult Pygo2 SSKO mammary epithelia (Figure 1A). The overall size of the bulk luminal population (Lin−CD29loCD24+), varied from mouse to mouse, but the relative presence of the CD61+ luminal/myoepithelial progenitor cell pool (Asselin-Labat et al., 2007) within this population was consistently and significantly lower in SSKO glands than in the controls (Figure 1A). Furthermore, we observed a significant reduction in the relative size of the Lin−CD24loCD49lo population previously shown to encompass mature basal/myoepithelial cells (MYO), whereas the differences in the size of the Lin−CD24hiCD49lo population, known to contain mammary colony-forming cells (Ma-FCFs) (Stingl et al., 2006), between control and SSKO was insignificant (Figure 1B). Together, our results demonstrate that Pygo2 loss associates with smaller pools of both bulk basal/myoepithelial cells and luminal/myoepithelial progenitor cells relative to the mature luminal population.

To determine whether there is any lineage imbalance in Pygo2-deficient mammary epithelia, we stained control and SSKO mammary ducts using keratin 19 (K19), a luminal-enriched protein, and smooth muscle actin (SMA), a basal/myoepithelial marker (Bartek et al., 1985; Gugliotta et al., 1988; Sun et al., 2010). Quantification of K19+ and SMA+ cells revealed a statistically significant increase in the ratio between luminal and basal/myoepithelial cells in ductal sections from SSKO mice (p < 0.05; Figure 1C).

**Pygo2 Suppresses Luminal/Alveolar Differentiation of Sorted MaSC/Basal Cells**

We next asked whether MaSC/basal cells were reduced in the absence of Pygo2 as a consequence of direct, precocious differentiation toward a luminal state. MaSC/basal cells isolated from control and Pygo2 SSKO glands were compared for their differentiation potential using a 3D Matrigel assay (Shackleton et al., 2006) (Figure 2A). Two major, morphologically distinct types of colonies were observed in the control culture: branched and acinar-like (Figures 2A and 2B), which were likely derived from MaSC/basal progenitor and luminal/alveolar-restricted progenitor cells, respectively (Dontu et al., 2003; Petersen et al., 1992; Shackleton et al., 2006). As expected (Shackleton et al., 2006), both types of colonies expressed basal marker Keratin 14 (K14) and luminal marker K8 (Figure 2B). Interestingly, the ratio between acinar and branched colonies was significantly higher in SSKO than in the control culture (Figure 2C). Consistently, the mRNA levels of Muc1, Csn2 (ji-casein), and Stat5a, but not of Krt19 (K19), were also significantly upregulated in the SSKO culture (Figure 2D). Therefore, it appears that Pygo2-deficient MaSC/basal cells are prone to adopt a luminal/alveolar fate and/or undergo luminal/alveolar differentiation ex vivo.

To address the immediate effect of Pygo2 loss on MaSC/basal differentiation, we performed a 3D Matrigel assay on sorted MaSC/basal cells from Pygo2flox/+ and Pygo2/+ mice following their infection with adenoviruses expressing Cre-IRE-EGFP (Ade-Cre) (Figure S1A available online). Efficient deletion of Pygo2 was verified by recombination at the floxed Pygo2 locus (Figure 2E), the significant reduction of Pygo2 mRNA in Pygo2flox/+ compared to Pygo2+/+ cells (Figure 2F), and the loss of Pygo2 protein in GFP+ Pygo2flox/+ cells (Figure S1B). Acute depletion of Pygo2 led to a significant increase in the ratio between acinar and branched colonies (Figure 2G), indicating that Pygo2 plays a direct role in promoting the luminal/alveolar differentiation of MaSC/basal cells.

**Pygo2-Deficient MaSC/Basal Cells Exhibit a Partial Transcriptional Drift toward a Mature Luminal State and Reduced Repopulating Ability upon Transplantation**

Next we tested the hypothesis that Pygo2 suppresses luminal/alveolar differentiation of MaSC/basal cells by earmarking their differentiation competence. First, we found Pygo2 mRNA to be present (in decreasing abundance) in MaSC/basal (Lin−CD29loCD24+), luminal progenitor (Lin−CD29loCD24+CD61+), and mature luminal cells (Lin−CD29loCD24+CD61−) (Figures S2A and S2B). Next, we asked whether Pygo2-deficient MaSC/basal cells differ molecularly from their control counterparts despite the fact that they are identified by the same surface markers. Interestingly, MaSC/basal-specific genes Acta2 (SM4) and p63 showed a trend of reduced expression in Pygo2-deficient MaSC/basal cells compared to the control, whereas K19,
the expression of which normally increased from control MaSC/basal to luminal cells, was slightly elevated in Pygo2-deficient MaSC/basal and luminal progenitor cells (Figure S2B). To evaluate comprehensively whether Pygo2-deleted MaSC/basal cells exhibit luminal-like molecular features, we performed DNA microarray analysis to compare gene expression in three sorted populations: control MaSC/basal, Pygo2 SSKO MaSC/basal, and control mature luminal cells (Figure 3A). List 1 (9,308 genes) included genes whose expression was significantly changed from control MaSC/basal to control luminal cells (Figure 3B). List 2 (798 genes) included genes whose expression is consistently changed in MaSC/basal cells due to Pygo2 deficiency.
Figure 2. Pygo2 Loss Facilitates Luminal/Alveolar Differentiation of MaSC/Basal Cells in 3D Matrigel Culture

(A) Experimental procedure.

(B) Examples of branched (b) and acinar-like (a) colonies produced after differentiation induction with HIP (see Experimental Procedures for details). Patterns of K8 (red) and K14 (green) expression as analyzed by confocal microscopy are shown in 3D reconstructed (left) and single-plane (right) images. Arrowheads indicate a few K14+ basal cells bordering an acinar colony.

(C) Morphology (left) and quantification (right) of colonies produced by control and SSKO (n = 3 each) MaSC/basal cells, 6 (left), 4 (right), and 8 (right) days after differentiation induction.

(D) RT-qPCR analysis of expression of the indicated genes in control and SSKO (n = 3 each) colonies produced 6 days after HIP induction.

(E) Genotyping analysis of uninfected or Ade-Cre-infected Pygo2flox/+ and Pygo2flox/flox MaSC/basal cells.

(F) RT-qPCR analysis of Pygo2 expression in cells 3 days after infection.

(G) Effect of acute Pygo2 deletion on colony formation. Shown are results of quantitative analysis of Ade-Cre-infected MaSC/basal cells from four pairs of Pygo2flox/+ and Pygo2flox/flox mice. Values are means ± SD; *p < 0.05; **p < 0.01.

Bar = 50 μm in (B) and 300 μm in (C). See also Figure S1.
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(Figure 3B). A comparison of the two lists revealed that ~43% of the Pygo2-sensitive genes were part of the luminal gene signature (termed “coregulated”; Figure S2C). Interestingly, coregulation became more prominent when higher stringency cut-offs were applied. Coregulated genes included known luminal markers/regulators, such as K19, amphiregulin (Areg), and forkhead box protein A1 (Foxa1), the upregulation of which in SSKO MaSC/basal cells was confirmed by reverse-transcription quantitative PCR (RT-qPCR) (Figures 3C and S2D–S2F). Overall, our molecular analysis paints a scenario wherein the expression of a subset of genes in Pygo2-deficient MaSC/basal cells is of intermediate levels between normal MaSC/basal and luminal states.

Gene Set Enrichment Analysis (GSEA) (Subramanian et al., 2005) confirmed that, compared to control MaSC/basal cells, Pygo2-deleted MaSC/basal cells exhibited a significant upregulation of several published mammary luminal gene signatures (Gupta et al., 2011; Huper and Marks, 2007; Lim et al., 2010) (Figure 3D, Table S1). In contrast, GSEA indicated a specific downregulation of basal gene signatures in SSKO MaSC/basal cells. Furthermore, compared to control MaSC/basal cells, SSKO MaSC/basal and control mature luminal cells displayed similar alterations in the expression of several gene ontology (GO) groups, including decreased expression of G1-S cell cycle genes (Gu et al., 2009) and increased expression of cell adhesion genes (Figure 3E). Taken together, our results are consistent with a partial drift of gene expression in Pygo2-deficient MaSC/basal cells toward a mature luminal state.

To determine the significance of this molecular drift, we performed limited dilution transplantation assays using Lin− CD29highCD24+ MaSC/basal cells isolated from control and Pygo2 SSKO mammary glands. Compared to the control, SSKO MaSC/basal cells displayed a significantly reduced rate of successful transplantation and less extensive mammary outgrowth (Figure 3F). We estimated that Pygo2 loss led to a ~5-fold reduction in repopulating frequency. Therefore, Pygo2-deficient MaSC/basal cells are compromised in their ability to repopulate the epithelial-cleared mammary fat pad.

Pygo2 Suppresses Notch Signaling in MaSC/Basal Cells

Among the genes upregulated in Pygo2-deficient MaSC/basal cells were several Notch signaling components, including Notch3, Dll4, and Hes1 (Figure S3A). RT-qPCR analysis using independently sorted cell populations confirmed higher expression of Notch3 and Hes1 in SSKO MaSC/basal and luminal progenitor cells compared to the control counterparts (Figure 4A). The expression of Notch1, Notch2, Notch4, and Hey1 was also upregulated in SSKO MaSC/basal cells, but not in SSKO luminal progenitor cells (Figure 4A). Moreover, Notch3 and Hes1, but not Notch1, Notch2, Notch4, and Hey1, showed higher expression in control mature luminal cells than in control MaSC/basal cells, opposite of that of Pygo2 (Figures 4A, S2B, and S3A). These results demonstrate elevated Notch pathway activity in Pygo2-deficient MaSC/basal cells and identify a tight inverse correlation between Notch3 and Pygo2 expression. Supporting a cell-autonomous, repressive effect of Pygo2 on Notch3, overexpression and depletion (using two different shRNAs) of Pygo2 in MCF10A mammary epithelial cells resulted in reduced and elevated, respectively, levels of Notch3 mRNA, whereas no effect was seen for Notch1 and Notch2 (Figure S3B).

To ask whether Notch3 upregulation occurred in the entire SSKO MaSC/basal population or only a subset of the cells, we performed FACS analysis on mammary cells harvested from control and SSKO mice using Notch3 antibody together with the Lin−CD29/CD24 marker set. Whereas the control MaSC/basal population contained two subpopulations of cells that can be described as Notch3low and Notch3medium, the Pygo2-deficient MaSC/basal population contained a more abundant Notch3medium subpopulation and a distinct Notch3high subpopulation (Figure 4B, left). Quantification of Notch3high cells revealed a significant increase in SSKO samples (Figure 4B, right). These data provide in vivo evidence that in the absence of Pygo2, both Notch3low and Notch3medium cells within the MaSC/basal population gain higher Notch3 protein expression.

To determine the functional relevance of increased Notch signaling in Pygo2-deficient MaSC/basal cells, we first treated these cells in 3D Matrigel culture with N-[(3,5-difluorophenyl)acetyl]-L-alanyl-2-phenylglycine-1,1-dimethylethyl ester (DAPT), a γ-secretase inhibitor that blocks the activating, proteolytic cleavage of Notch receptors (Geling et al., 2002). As expected (Bouras et al., 2008), DAPT reduced the expression of targets of Notch signaling (Figure S3C) and suppressed the formation of acinar colonies in the control MaSC/basal culture (Figure 4C). Importantly, DAPT also completely suppressed the greatly enhanced acinar colony formation in the Pygo2-deficient MaSC/basal culture, regardless of whether deficiency was engineered chronically or acutely (Figure 4C). This cellular phenotype correlated well with a significant suppression of luminal/milk genes K19, Muc1, β-casein, and Stat5a (Figure 4D).

We next depleted Cbf1, a transcription factor essential for Notch signaling, in control and Pygo2 SSKO MaSC/basal cells by infecting them with lentiviruses expressing Cbf1-specific shRNA and GFP, and similar to DAPT treatment, Cbf1 knockdown led to a significant decrease of both basal-level and Pygo2-deficiency-induced formation of acinar colonies in 3D Matrigel culture (Figures 4E and S3E). Upon transplantation, Cbf1-depleted control MaSC/basal cells produced mammary outgrowths with increased but disorganized branching and aberrant terminal buds (Figure 4F), defects attributed to Notch signaling’s restrictive role of an MaSC/basal state (Bouras et al., 2008). Importantly, albeit smaller, the transplants generated by Pygo2 SSKO MaSC/basal cells also showed elevated branching frequency and aberrant terminal buds upon Cbf1 knockdown (Figure 4F). Taken together, these results show that inhibition of Notch signaling is able to reverse the elevated luminal/alveolar differentiation in Pygo2 SSKO MaSC/basal cells.

Activation of Wnt/β-Catenin Signaling Suppresses Luminal/Alveolar Differentiation and Notch Signaling in a Pygo2-Dependent Manner

Given the context-dependent role of Pygo2 as a Wnt coactivator, we next tested whether (1) forced activation of Wnt/β-catenin signaling in MaSC/basal cells also suppresses their luminal/alveolar differentiation or Notch signaling; and (2) if so, whether these inhibitory effects depend on Pygo2.

Application of 6-bromoindirubin-3’-oxime (BIO), a GSK3 inhibitor that activates Wnt/β-catenin signaling (Sato et al., 2004), to...
Figure 3. Transcriptional Profiling of Control and Pygo2 SSKO Mammary Populations

(A) Schematic diagram outlining the strategy to identify coregulated genes.
(B) Venn diagram illustrating the overlap between lists 1 (p < 0.05) and 2 (p < 0.05).
(C) Heat map of the coregulated genes.
(D) GSEA indicates enhanced luminal and diminished basal gene signatures in Pygo2 SSKO MaSC/basal cells.

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control MaSC/basal cells resulted in elevated expression of Wnt target Axin2 and more rapid colony growth (Figures 5A, S4A, and S4B). However, there was a dramatic reduction of acinar colonies in BIO-treated cultures; those that were produced were mostly solid, lacked branches, and were composed of a K14+ outer layer and multiple layers of K8+ inner cells (Figures 5A, 5B, and S4B). The extent of BIO-induced acinar colony reduction was significantly compromised when Pygo2 was absent (Figure 5C). BIO also reduced the expression of K19, Muc1, β-casein, and Stat5a in control MaSC/basal cells, and the fold reduction was considerably smaller in SSKO MaSC/basal cells (Figure 5D). Finally, lentiviral expression of ΔN-β-catenin, a stabilized form of β-catenin mimicking activated Wnt signaling (Gat et al., 1998), caused a less significant reduction in the formation of acinar colonies in SSKO than in control MaSC/basal 3D Matrigel cultures (Figures 5E, S4C, and S4D). These results suggest that Pygo2 is required for the maximal inhibitory effect of Wnt/β-catenin signaling on luminal/alveolar differentiation of MaSC/basal cells.

BIO exerted different effects on Notch genes in control MaSC/basal 3D culture: it repressed the expression of Notch3 and, to a lesser extent, Notch4, but not Notch1 and Notch2 (Figure 5F and data not shown). Importantly, the repression of Notch3 did not occur in Pygo2 SSKO MaSC/basal 3D culture (Figure 5F). Similarly, BIO inhibited the expression of Hey1. This effect was partially reversed by loss of Pygo2 (Figure 5G). Thus, Pygo2 is required for BIO inhibition of Notch3 expression and signaling. In an interesting contrast, Axin2 expression in MaSC/basal 3D cultures was reduced by Pygo2 loss regardless of BIO presence (Figure S4A).

### Pygo2 Recruits β-Catenin to, and Maintains a Bivalent Domain at, the Notch3 Locus in MaSC/Basal Cells

To date, a few genes have been identified as being directly repressed by Wnt/β-catenin signaling and none by Pygo2 (Hov erter and Waterman, 2008; Jessen et al., 2008). We therefore determined whether Notch3 is a direct target of Pygo2 or β-catenin. We performed micro chromatin immunoprecipitation (microChIP) (Dahl and Collas, 2008) that allowed the determination of protein binding to chromatin using purified MaSC/basal cells. With Pygo2 antibody and multiple primer sets spanning a −5 kb to +5 kb region relative to the putative Notch3 transcriptional start site (TSS), we detected appreciable signals at three sites: c and e upstream of TSS, and h within a putative enhancer/repressor at +5 kb (http://genome.ucsc.edu/ ENCODE/) (Figures 6A and 6B). ChIP signals were significantly reduced in Pygo2 SSKO MaSC/basal cells, demonstrating specificity. Interestingly, the strongest binding site, h, does not contain known lymphoid enhancer factor/T cell factor (LEF/TCF) consensus sequence, whereas several putative LEF/TCF sites (e.g., a, b, and d) did not exhibit Pygo2 occupancy. Thus, a LEF/TCF consensus sequence is not essential for Pygo2 occupancy.

β-catenin also bound to site e, but not to c and h (Figure 6B). Importantly, binding to e was markedly reduced in Pygo2 SSKO MaSC/basal cells, suggesting that Pygo2 is required for recruiting β-catenin and/or stabilizing its binding to the Notch3 promoter. This dependence was surprising, given the proposed model that Pygopus proteins are recruited to chromatin by a molecular chain composed of LEF/TCF, β-catenin, and adaptor Lgs/Bcl9 (Städeli and Basler, 2005). To ask whether this finding is applicable to other Wnt targets, we examined Pygo2 and β-catenin binding to the Axin2 locus. In MaSC/basal cells, both Pygo2 and β-catenin bound to site a, which is near the TSS and contains a LEF/TCF consensus motif, but not site b, which lies downstream (Jho et al., 2002) (Figures 6C and 6D). Importantly, binding of both proteins was reduced to a background level when Pygo2 was absent.

Given the known involvement of Pygo2 in histone modification, we examined H3K4me3 as well as two repressive histone marks, trimethylated lysine 27 of histone H3 (H3K27me3) and trimethylated lysine 9 of histone H3 (H3K9me3), at the Notch3 locus in control and Pygo2-deficient cells. In control MaSC/basal cells, both H3K4me3 and H3K27me3 were found across the Notch3 locus, with extensive low-level peaks particularly from around the TSS to +5 kb (e–h; Figure 6E). This chromatin configuration is reminiscent of the “bivalent domain” found at promoters of many developmental genes that need to be silenced in embryonic stem cells (ESCs) but are poised for prompt activation upon lineage differentiation (Bernstein et al., 2006; Mikkelsen et al., 2007). A strong peak of H3K9me3 was observed at site c (Figure 6E). In control bulk luminal cells, site e displayed a high level of H3K4me3 and a low level of H3K27me3 (Figure 6F). Thus, the Notch3 locus appears to be in a poised but silenced state in MaSC/basal cells and is resolved to an active chromatin configuration in luminal cells. In contrast, the Axin2 locus is in a predominantly active state in MaSC/basal cells, as evident by the strong H3K4me3 but background-level H3K27me3 signals at sites a and b (Figure 6G).

In Pygo2 SSKO MaSC/basal cells, there was a general increase in H3K4me3 across the Notch3 locus, with the normally broad but weak H3K4me3 signals between TSS and the downstream enhancer now being replaced by prominent peaks centered around f (Figure 6E). In contrast, both H3K27me3 and H3K9me3 levels were decreased, especially at the proximal gene regulatory region site (Figure 6E). Thus, it appears that with Pygo2 loss, the bivalent domain at the Notch3 locus in MaSC/basal cells was resolved to an active chromatin configuration, reminiscent of that in normal luminal cells. This is in contrast to the Axin2 locus, where Pygo2 loss resulted in a significant reduction in H3K4me3 at site a (to which both Pygo2 and β-catenin bind, but not site b; Figure 6G). Collectively, our data suggest that Pygo2 functions in MaSC/basal cells to maintain the Notch3 locus in a bivalent chromatin state to prevent it from being prematurely resolved to an active state compatible with luminal differentiation.
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DISCUSSION

Our study identifies Pygo2 as an epigenetic gatekeeper of the MaSC/basal fate and adds Pygo2 to a small list of known chromatin regulators of mammary epithelial stem/progenitor cells (Liu et al., 2006; Pal et al., 2013; Pietersen et al., 2008). That Pygo2 is expressed, and suppresses the luminal-like gene signature, in MaSC/basal cells provides at least one epigenetic mechanism by which these cells maintain their lineage identity during development (van Amerongen et al., 2012; Van Keymeulen et al., 2011). To our knowledge, this is the first study to show that a histone modification reader (i.e., Pygo2) regulates the lineage potential of adult epithelial stem cells. With the recent success in identifying small-molecule inhibitors that block the activities of histone readers (Chung, 2012), understanding the biological function of this class of chromatin effectors opens new doors to direct the lineage differentiation potential of stem cells for tissue engineering and treat heterogeneous human cancers with a stem/progenitor cell origin. In fact, we observed that Pygo2 loss leads to a restriction of the lineage potential of tumor-initiating cells in the MMTV-Wnt1 mammary tumor model (Watanabe et al., 2013).

Our discovery of the Pygo2-deficiency-induced partial drift of MaSC/basal gene expression toward a mature tumor state is particularly interesting, as a dramatic differentiation phenotype of these Pygo2-deficient MaSC/basal cells is only manifest upon switching to lactogenic conditions that induce luminal/alveolar differentiation. This presents a previously unrecognized mode of molecular regulation, namely “prospective” regulation, of mammary stem/progenitor cells, where a chromatin effector earmarks their differentiation competence. It is important to note that the Lin^CD29^high/CD24^high MaSC/basal population is inherently heterogeneous in its cellular constituents. Our detection of two distinct subpopulations of Notch3-expressing cells within this population is consistent with the reported finding of low and high expression of Hey1 in Axin2^−/− and Axin2^+/−, respectively, fractions of the Lin^CD29^high/CD24^high pool (Zeng and Nusse, 2010). Interestingly, Pygo2 loss results in a general upward shift in Notch3 expression of the entire MaSC/basal population while maintaining two distinct subpopulations. As the Wnt-responsive Axin2^−/− cells are further enriched for MaSC cells, our findings are consistent with Pygo2 repressing Notch3 expression in not only MaSCs, but also bulk basal cells.

Our study provides evidence for a functional and mechanistic connection between two fundamentally important signaling pathways, Wnt and Notch, in negotiating the choice between MaSC/basal and luminal lineages within the mammary epithelia. Specifically, our findings highlight Pygo2 as an epigenetic progenitor of the self-renewal/basal-promoting Wnt/β-catenin signaling and a direct epigenetic suppressor of the luminal-promoting Notch signaling. Because these two pathways regulate the fates of stem cells in myriad tissues and in tumors, our study adds to the general knowledge of how developmental signaling pathways crosstalk with each other (Shahi et al., 2011). Of note, the negative regulation of Notch3 by Wnt signaling and Pygo2 (this study) contrasts the activation of Notch2 by Wnt signaling in colorectal cancer cells, underscoring the cell/tissue-type specificity of Wnt-Notch crosstalks (Duncan et al., 2005; Ungerbäck et al., 2011).

Our work identifies Notch3 as a direct target of transcriptional repression by Wnt/β-catenin and Pygo2, and as such also assigns an additional repressive role for Pygo2 in gene expression. Intriguingly, Pygo2 is required for β-catenin binding to both Axin2 and Notch3 gene regulatory regions. While this may be in apparent conflict with the LEF/TCF-β-catenin-Lgs/Bcl9-Pygo chain-of-adapter model, it supports and refines an alternative model wherein Pygo2 facilitates β-catenin nuclear retention (Städeli and Basler, 2005; Townsley et al., 2004). Reconciling our data with both models, Pygo2 and β-catenin may stabilize each other’s occupancy at target loci via multivalent interactions between Pygo2 and chromatin via H3K4me3, β-catenin and LEF/TCF sites via LEF/TCF, and Pygo2 and β-catenin via Lgs/Bcl9 (Gu et al., 2009). Overall, the functional interplay between Wnt/β-catenin signaling and Pygo2 in MaSC/basal cells appears complex: Pygo2 facilitates Wnt-induced alteration in some genes (e.g., Notch3), but activates or represses other genes (e.g., Axin2 and Notch1/2) regardless of the Wnt activation status. This new mechanistic insight is entirely consistent with the finding of both Wnt-dependent and Wnt-independent biological functions of Pygopus proteins (Jessen et al., 2008).

Our work offers an additional example of how a histone code reader can generate different chromatin and transcriptional outcomes at different target loci. Specifically, Pygo2 is required for optimal H3K4me3 at the Axin2 promoter but maintains a bivalent chromatin configuration at a key lineage-regulatory locus, Notch3, in MaSC/basal cells. Bivalent domains have been found in not only ESCs but also adult cells, including the mammary epithelial lineage (Cui et al., 2009; Lien et al., 2011; Maruyama et al., 2011; Pal et al., 2013); however, their functional connection in MaSC/basal cells remains to be established.

Figure 4. Pygo2-Deficiency-Induced Luminal/Alveolar Differentiation of MaSC/Basal Cells Requires Notch Signaling

(A) RT-qPCR analysis of Notch pathway gene expression in sorted populations from control and Pygo2 SSKO mice (n = 2 each).

(B) Representative FACS profiles of surface Notch3 protein expression in control and SSKO MaSC/basal cells. The Notch3^high subpopulation was quantified on the right (n = 3 per genotype).

(C) Morphology (left) and quantification (right) of colonies produced by DMSO- or DAPT-treated MaSC/basal cells from control and SSKO mice (n = 3 each), or Ad-eCre-infected MaSC/basal cells from Pygo2^lox/lox and Pygo2^lox/lox mice (n = 4 each). Bar = 300 μm.

(D) RT-qPCR analysis of colonies formed as in (C), n = 3 per genotype. Note that the difference in K19 expression caused by Pygo2 deficiency is no longer as prominent after culturing MaSC/basal cells in Matrigel as the difference in freshly sorted cells.

(E) Quantification of colonies produced by MaSC/basal cells and control and SSKO mice (n = 3 each) with infection of control scramble shRNA or Cbf1 shRNA lentiviruses.

(F) Effect of Cbf1 knockdown on mammary outgrowths from control and Pygo2 SSKO MaSC/basal cells transplanted in vivo. Transplants were visualized by GFP fluorescence (left) and branching frequency was calculated as the number of total branching points per total ductal length (mm) in randomly selected high-resolution fields from multiple transplants (n = 2–6 each) (right). Arrow indicates colonized GFP^+ cells with no outgrowth. Values are means ± SD. *p < 0.05; **p < 0.01. See also Figure S3.
Figure 5. Pygo2-Dependent Wnt/β-Catenin Suppression of Induced Luminal/Alveolar Differentiation and Notch3 Expression in MaSC/Basal Cells

(A) Quantification of the size (left) and type (right) of colonies derived from BIO (0.5 μM)-treated MaSC/basal cells. Percent of acinar-like colonies per total colonies was calculated for cultures 1 and 5 days after HIP induction (mean ± SD; n = 2 mice). (B) Immunofluorescent detection of K8 (red) and K14 (green)-positive cells in colonies produced by DMSO- or BIO-treated MaSC/basal cells. Arrow, solid colony; arrowhead, acinus. (C) Morphology (left) and quantification (right) of colonies produced by DMSO- or BIO-treated control and SSKO (n = 3 each) MaSC/basal cells. (D, F, and G) RT-qPCR analysis of the indicated genes in colonies formed as in (C). (E) Quantification of colonies produced by MaSC/basal cells from control and SSKO mice (n = 3 each) with infection of control GFP or GFP/ΔN-β-catenin lentiviruses. Values are means ± SD. *p < 0.05; **p < 0.01. Bar = 50 μm in (B) and 300 μm in (C). See also Figure S4.
significance remains to be fully characterized. Our discovery that loss of a bivalent status at the Notch3 locus correlates with altered lineage potential provides important though indirect evidence for the significance of a bivalent chromatin configuration. We postulate that in normal MaSC/basal cells, Pygo2 helps to maintain the Notch3 locus in a poised yet repressed state to ensure a low level of Notch3 expression (Raafat et al., 2011) and prevent the cells from prematurely adopting a luminal/alveolar fate (Figure 7, left). When Pygo2 is absent, the Notch3 chromatin undergoes premature resolution toward an active and luminal-like state to support gene expression, which in turn primes MaSC/basal cells for luminal/alveolar differentiation upon extrinsic differentiation cues (Figure 7, right). Future studies will investigate the molecular mechanism by which Pygo2 regulates histone modifications at the Notch3 locus. 

**EXPERIMENTAL PROCEDURES**

**Mouse Strains**

Pygo2 SSKO female mice were generated in congenic C57BL/6 background from a crossing of K14-cre; Pygo2+/- males with Pygo2flox/flox females as previously described (Gu et al., 2009). Pygo2flox/flox and Pygo2flox/+ female littermates were generated from a crossing of Pygo2flox/+ males with Pygo2flox/flox females.

**Flow Cytometry, Sorting, and 3D Matrigel Differentiation Assay**

Mammary cells from 8- to 12-week-old virgin females were immunolabeled with specific antibodies (CD31-APC, CD45-APC, TER119-APC, CD24-PE-Cy7, CD29-FTIC, CD49f-FITC, CD61-PE, or Notch3-PE) and analyzed by LSRII (BD Biosciences) or sorted by FACSAriaII (BD Biosciences). Data analysis was performed by Flowjo 7.6.1.

3D Matrigel assay was performed as previously reported (Shackleton et al., 2006). Briefly, sorted MaSC/basal cells were resuspended in growth factor reduced Matrigel (BD Biosciences) and plated onto 8-well chamber slides (Thermo Fisher Scientific). Cells were cultured in a mammary epithelial growth medium for 1 week and induced to undergo luminal/alveolar differentiation by medium switch to DMEM/F12 containing hydrocortisone, insulin, and prolactin (HP) and 1% FBS.

To acutely delete Pygo2, sorted Pygo2flox/flox and control Pygo2flox/+ MaSC/basal cells were infected in suspension with Ade-Cre (Vector Biolabs) before being embedded in Matrigel. To modulate signaling pathways, growing cells/colonies were pretreated with DMSO, DAPT (Calbiochem), or BIO (Sigma-Aldrich) for 24 hr in growth medium before being switched to differentiation medium (referred to as Day 0) containing the same agent.

**Cleared Fat Pad Transplantation**

FACS-sorted MaSC/basal cells were injected into the cleared fat pad of 3-week-old female C57BL/6 mice. Cbf1 knockdown was performed by transduction with shCbf1-expressing lentiviruses before transplantation. Outgrowths were analyzed 8 weeks after transplantation. GFP fluorescence was visualized with a Leica MZFLIII dissecting scope or Nikon E600 microscope. Statistical analysis of the take rate was performed using the ELDA Web-based tool (http://bioinf.wehi.edu.au/software/elda/), and the
Figure 7. Working Model on Pygo2 Regulation of Mammary Epithelial Lineage Differentiation

Pygo2 binding facilitates the binding of β-catenin and a bivalent chromatin configuration at the Notch3 locus in MaSC/basal cells. In Pygo2 null MaSC/basal cells, Notch3 chromatin shifts precociously from having dominant repressive H3K27me3 marks to prominent permissive H3K4me3 marks, allowing derepression/activation of Notch3. See text for details.

SUPPLEMENTAL INFORMATION

Supplemental Information for this article includes Supplemental Experimental Procedures and four figures and can be found with this article online at http://dx.doi.org/10.1016/j.stem.2013.04.012.
Chromatin Effector Pygo2 Mediates Wnt-Notch Crosstalk to Suppress Luminal/Alveolar Potential of Mammary Stem and Basal Cells, Cell Stem Cell (2013), http://dx.doi.org/10.1016/j.stem.2013.04.012

Pygo2 in Breast Stem Cell Differentiation


