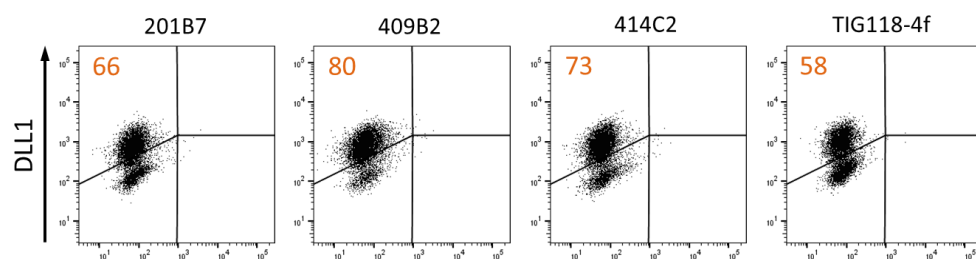


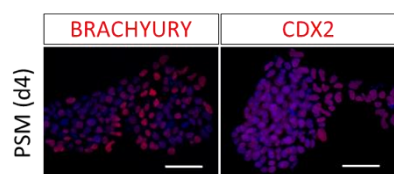
**Figure S1. Investigation of optimal protocol for PSM induction.**

(A-E) FACS analysis using anti-DLL1 antibody. 201B7-PAX3-GFP (A), 1231A3 (B-C) and TIG118-4f (D-E) iPSC lines were cultured in various conditions, and the induction efficiencies were assessed at day 4 by FACS. Error bars: mean  $\pm$  SE (n=3). \*p < 0.05; \*\*p < 0.01; \*\*\*p < 0.001 by Dunnett's multiple comparisons *t*-test compared with SCDF. n.s, no significant difference.



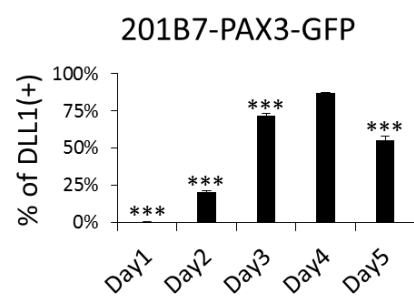
**Figure S2. Induction of PSM with various iPSCs.**

FACS analysis using anti-DLL1 antibody showed robustness of the induction protocol. 201B7, TIG118-4f, 414C2 and 409B2 iPSC lines were cultured in SCDF condition, and the induction efficiencies were assessed at day 4 by FACS.



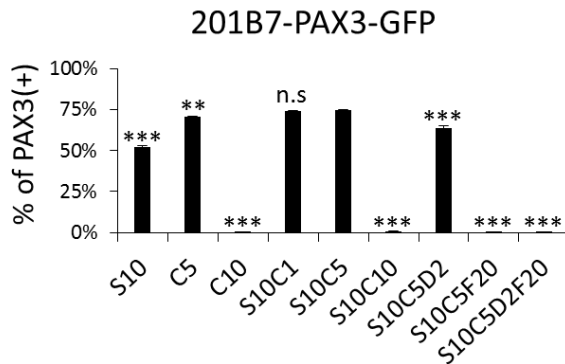
**Figure S3. Immunocytochemistry analysis of induced PSM.**

Immunocytochemistry analysis at day 4 of PSM induction. Cells were stained with anti-BRACHYURY and anti-CDX2 antibodies and co-stained with DAPI. Scale bars: 50  $\mu$ m.



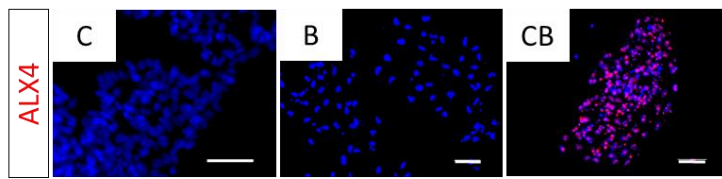
**Figure S4. Investigation of optimal day for PSM induction.**

FACS analysis using anti-DLL1 antibody. 201B7-PAX-GFP iPSCs were cultured in SCDF, and the induction efficiency was assessed from day 1 until day 5 by FACS. Error bars: mean  $\pm$  SE (n=3). \*\*\* p < 0.001 by Dunnett's multiple comparisons *t*-test compared with day 4.



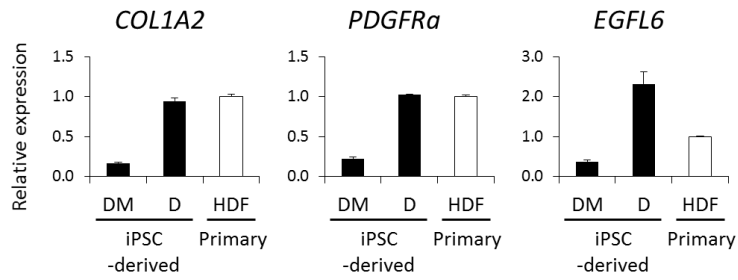
**Figure S5. Investigation of optimal protocol for SM induction.**

Characterization of SM induced by various conditions. The induction efficiencies were assessed by PAX3-GFP FACS analysis. Error bars: mean  $\pm$  SE (n=3). \*\*p < 0.01; \*\*\* p < 0.001 by Dunnett's multiple comparisons *t*-test compared with S10C5. n.s, no significant difference.



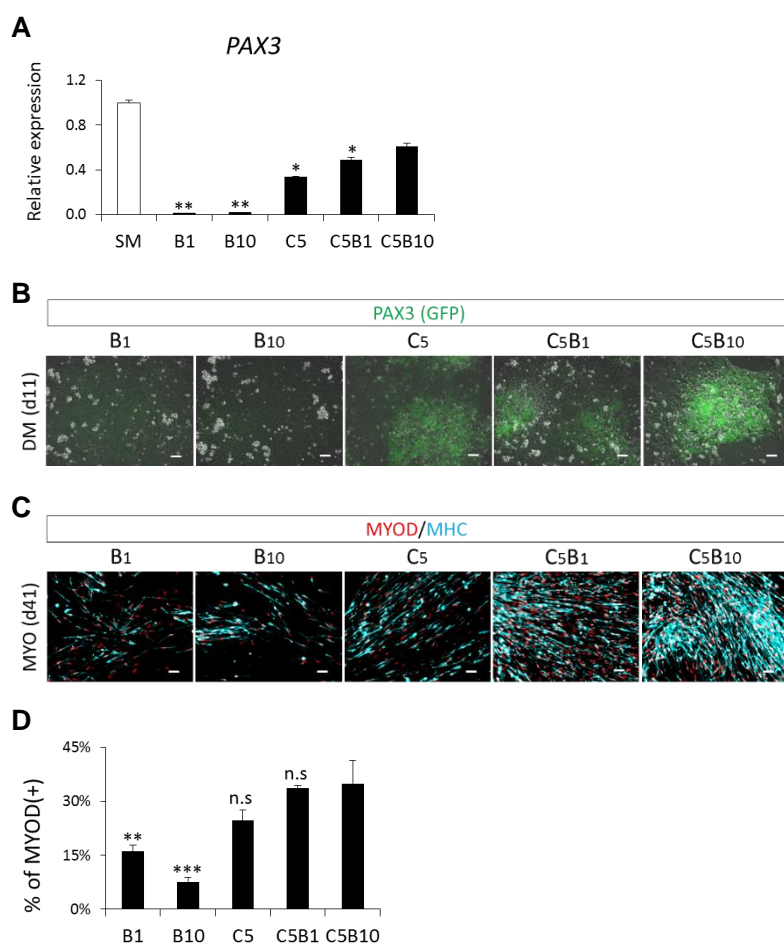
**Figure S6. DM induction with CHIR99021 and BMP4.**

Immunocytochemistry analysis at day 3 of DM induction. Cells were stained with anti-ALX4 antibody and co-stained with DAPI. Both CHIR99021 and BMP4 were necessary to induce DM. Scale bars: 50  $\mu$ m. C, CHIR99021 5  $\mu$ M; B, BMP4 10 ng/mL.



**Figure S7. Comparative analysis of iPSC-derived dermatome and primary adult dermal fibroblast.**

Gene expressions of dermatome and dermal fibroblast-related markers in induced D and primary HDFs were analyzed by RT-qPCR. Error bars: mean  $\pm$  SE (n=3). HDF, human dermal fibroblasts.

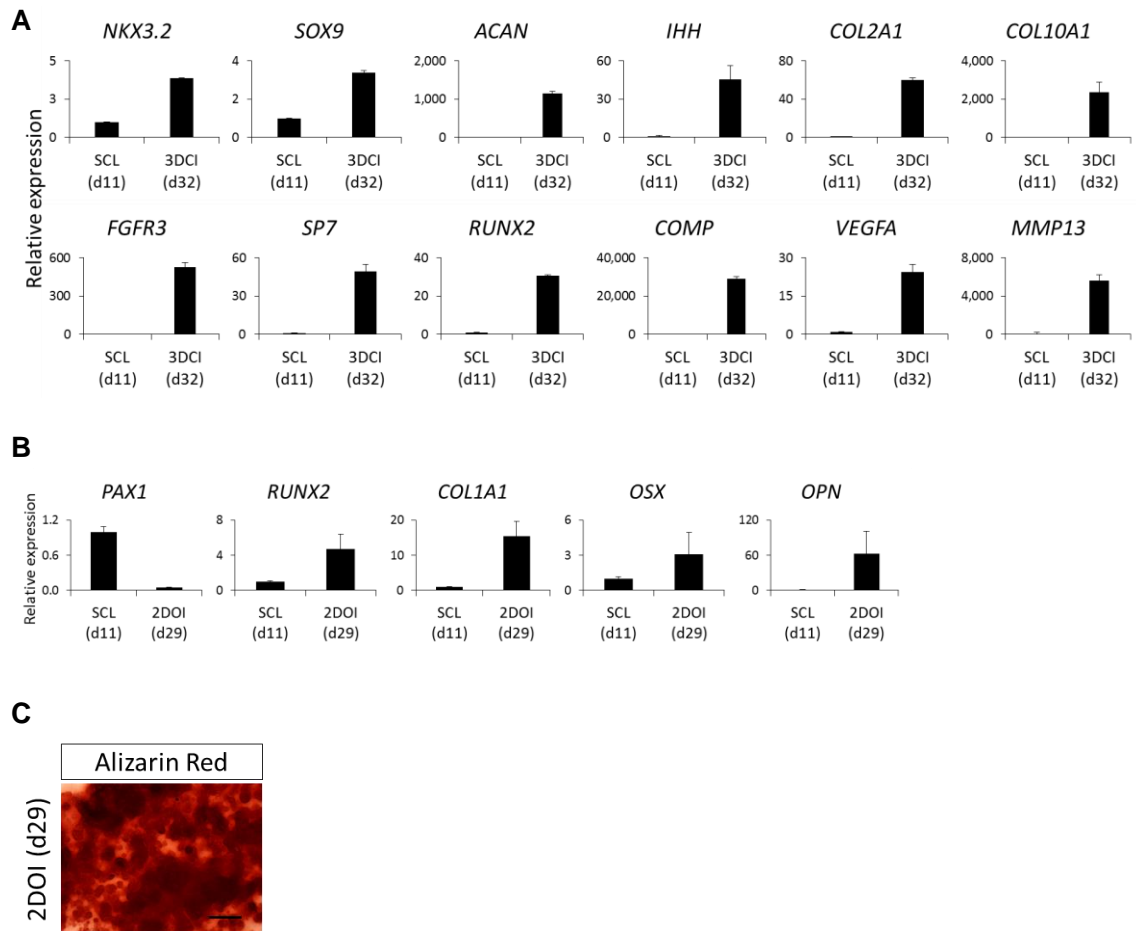


**Figure S8. Optimal protocol for DM induction.**

**(A-B)** Characterization of DM induced by various conditions. Quality of induced DM was assessed by RT-qPCR **(A)** and PAX3-GFP fluorescence **(B)** analyses.

**(C-D)** Characterization of MYO differentiated from DM. Quality of induced MYO was assessed by immunocytochemistry analysis **(C)**. Induction efficiencies **(D)**. Error bars: mean  $\pm$  SE (n=3). \*\*\*  $p < 0.001$ ; \*\*  $p < 0.01$ ; \*  $p < 0.05$  by Dunnett's multiple comparisons  $t$ -test compared with C5B10 (A, D). n.s, no significant difference. Scale bars: 50  $\mu$ m.

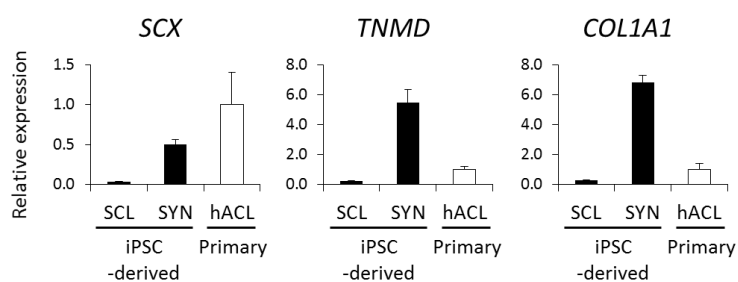




**Figure S9. Successful chondrogenesis and osteogenesis from SCL.**

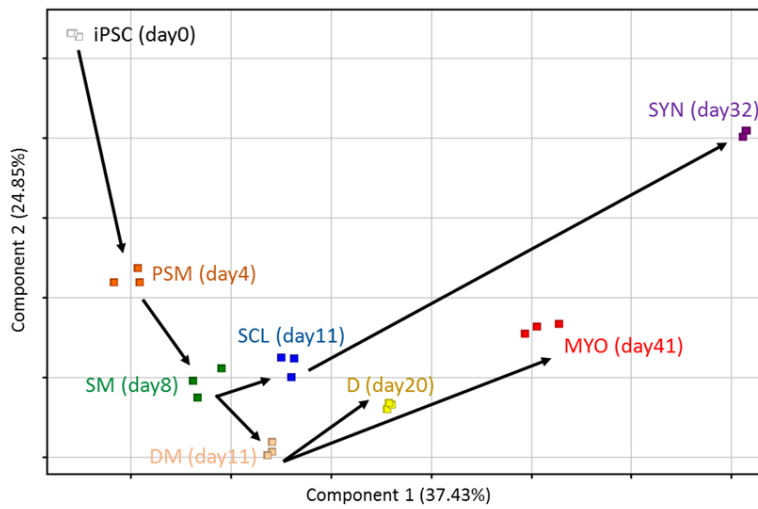
**(A)** RT-qPCR analysis using cartilage markers at day 21 of 3DCI.

**(B and C)** Differentiation ability of SCL toward osteocytes was assessed by RT-qPCR analysis **(B)** and Alizarin Red staining **(C)** at day 18 of 2DOI. Error bars: mean  $\pm$  SE (n=3).



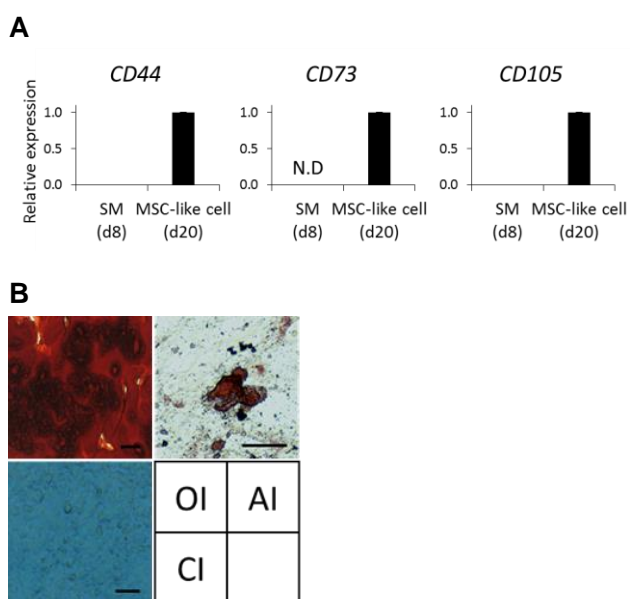
**Figure S10. Comparative analysis of iPSC-derived syndetome and primary anterior cruciate ligament cells.**

Gene expressions of syndetome-related markers in induced SYN and primary ACL cells were analyzed by RT-qPCR. Error bars: mean  $\pm$  SE (n=3). ACL, anterior cruciate ligament.



**Figure S11. Stepwise induction of four SM derivatives shown by global gene expression analyses.**

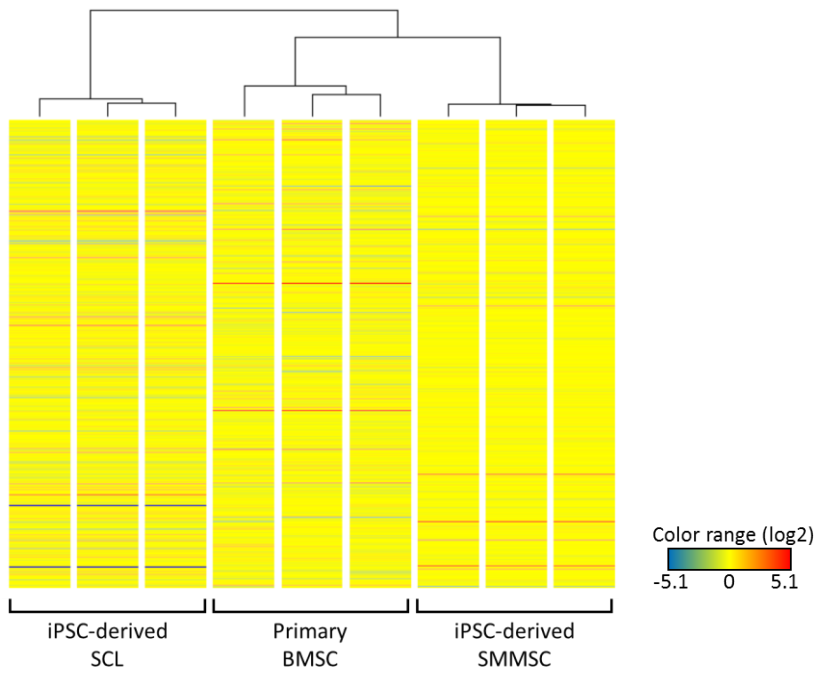
A PCA plot showing stepwise induction from iPSCs to four derivatives through PSM and SM fates. Three samples were prepared for each lineage.



**Figure S12. Generation of MSC-like cells from SM.**

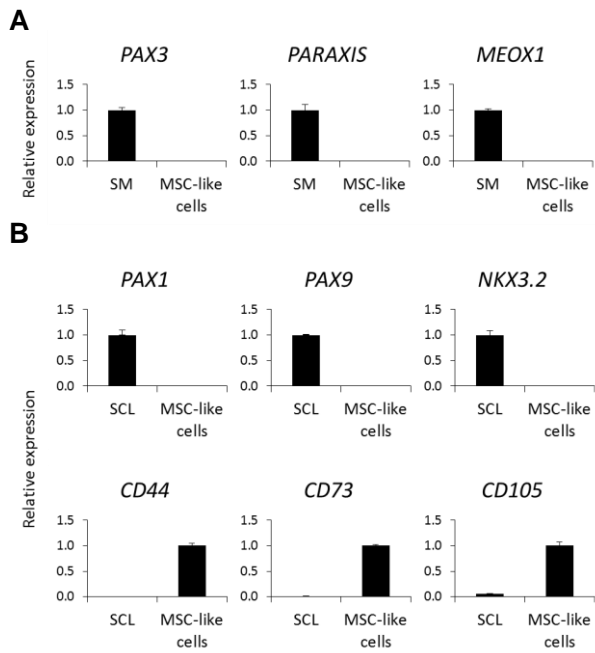
**(A)** RT-qPCR analysis of MSC markers at day 12 of the MSC-like cell induction. Error bars: mean  $\pm$  SE (n=3). N.D, not detected.

**(B)** Differentiation properties of induced MSC-like cells. The induction of osteogenic, chondrogenic and adipogenic lineages was assessed by Alizarin Red staining (OI), Alcian Blue staining (CI) and Oil Red O staining (AI). Scale bars: 50  $\mu$ m. OI, osteogenic induction; CI, chondrogenic induction; AI, adipogenic induction.



**Figure S13. Hierarchical cluster analysis of iPSC-derived SCL, SMMSC-like cell, and primary BMSC.**

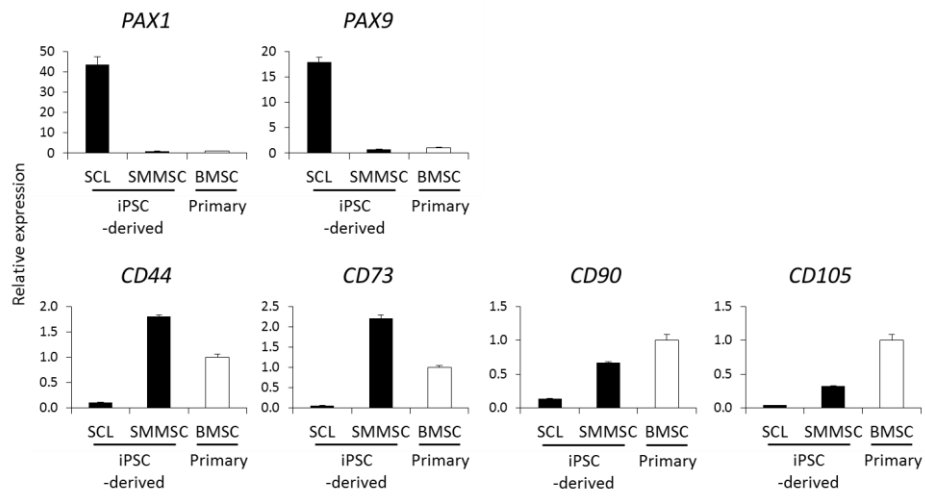
Genome wide microarray analysis among iPSC-derived SCL, SMMSC-like cells, and primary BMSCs. BMSC, bone marrow mesenchymal stromal cell.



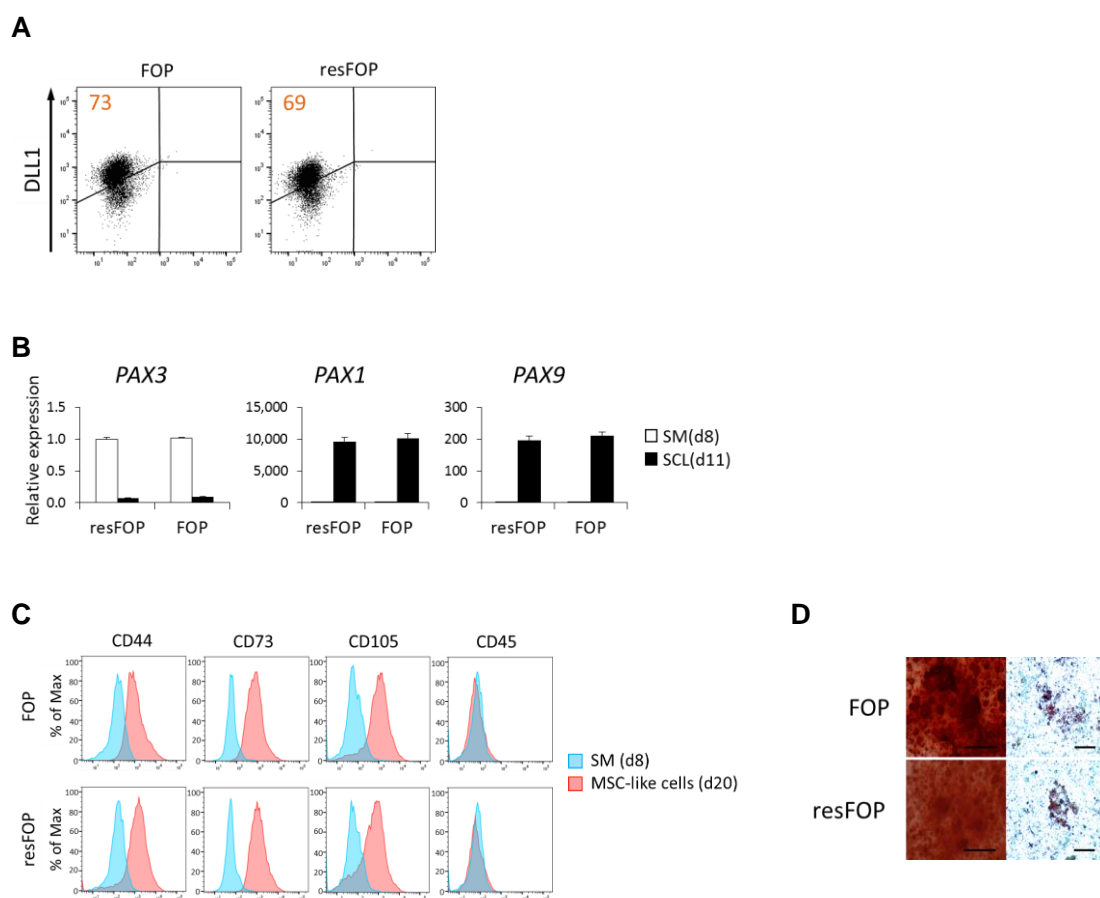
**Figure S14. Characterization of induced SM, SCL and MSC-like cells.**

(A) Expression comparison of induced SM and MSC-like cells by RT-qPCR analysis.

(B) Expression comparison of induced SCL and MSC-like cells by RT-qPCR analysis.



**Figure S15. Comparative analysis of iPSC-derived SCL, SMMSC-like cell, and BMSC.** Gene expressions of SCL and MSC-related markers in induced SCL, SMMSC-like cells, and primary BMSCs were analyzed by microarray. Error bars: mean  $\pm$  SE (n=3).



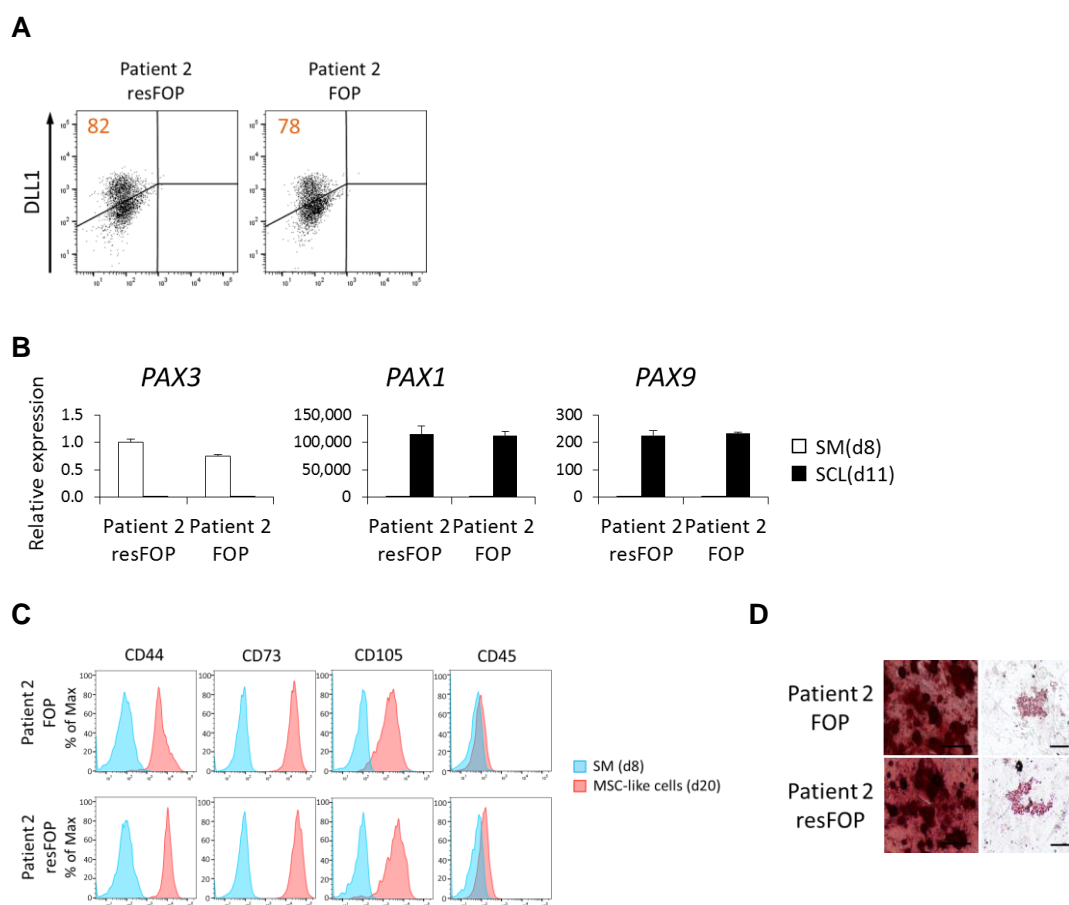
**Figure S16. Generation of SCL and MSC-like cells using FOP-iPSCs and resFOP-iPSCs.**

**(A)** DLL1<sup>+</sup> cells induced from FOP-iPSCs and resFOP-iPSCs were collected by FACS at day 4 of PSM induction.

**(B)** Generation of SCL using FOP-iPSCs and resFOP-iPSCs. RT-qPCR analysis using SM and SCL markers at day 3 of SCL induction. Error bars: mean  $\pm$  SE (n=3).

**(C-D)** Generation of MSC-like cells using FOP-iPSCs and resFOP-iPSCs. Expressions of surface markers for MSCs were assessed by FACS at day 12 of MSC-like cell induction **(C)**. Differentiation properties of MSC-like cells were assessed by osteogenic and adipogenic induction. These inductions were evaluated by Alizarin Red staining (OI) and Oil Red O staining (AI), respectively **(D)**. Both FOP-MSC-like cells and resFOP-MSC-like cells underwent osteogenic differentiation well, with no difference between them. Scale bars: 50  $\mu$ m. resFOP, Patient 1 resFOP clone 1; FOP, Patient 1 FOP clone 1.



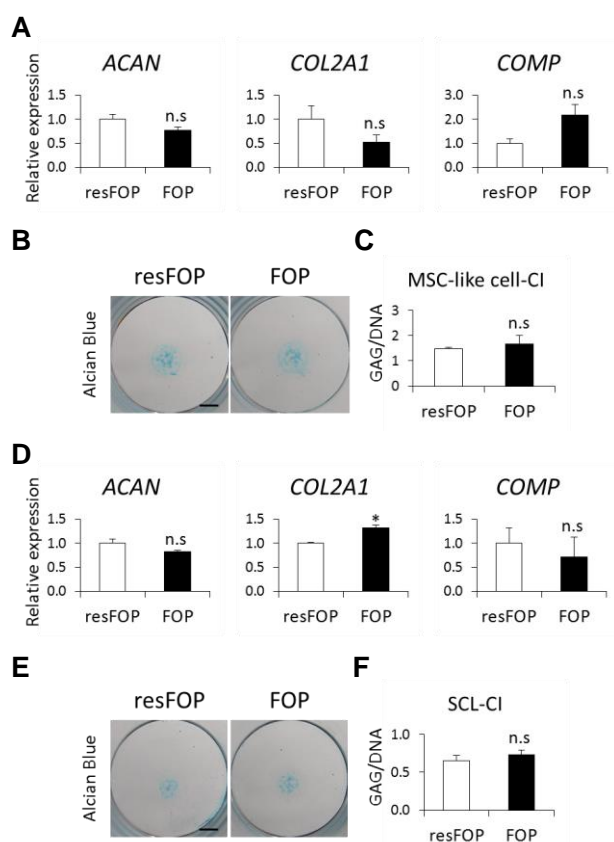


**Figure S17. Generation of SCL and MSC-like cells from Patient 2 FOP-iPSCs and resFOP-iPSCs.**

**(A)** DLL1<sup>+</sup> cells induced from Patient 2 FOP-iPSCs and resFOP-iPSCs were collected by FACS at day 4 of PSM induction.

**(B)** Generation of SCL derived from Patient 2 FOP-iPSCs and resFOP-iPSCs. RT-qPCR analysis using SM and SCL markers at day 3 of SCL induction. Error bars: mean  $\pm$  SE (n=3).

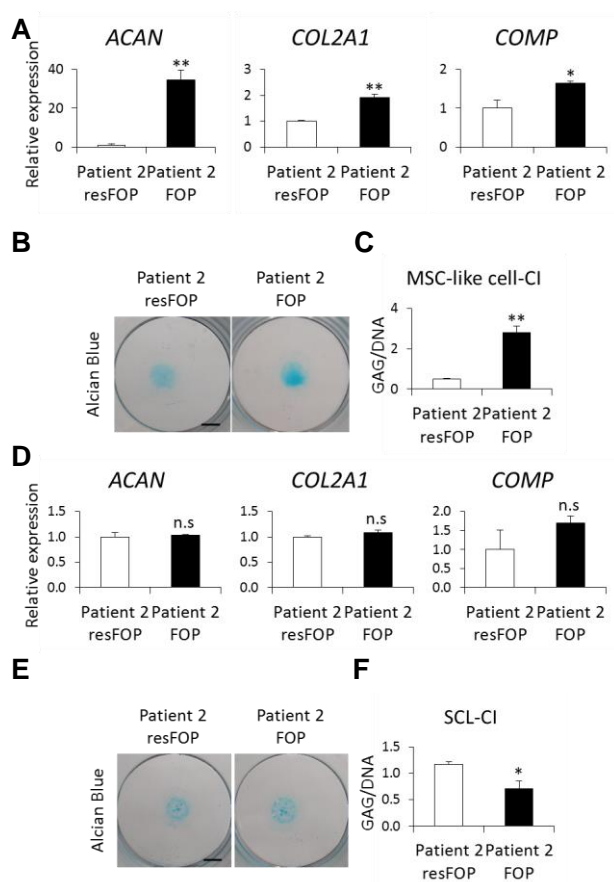
**(C-D)** Generation of MSC-like cells from Patient 2 FOP-iPSCs and resFOP-iPSCs. Expressions of surface markers for MSCs were assessed by FACS at day 12 of MSC-like cell induction **(C)**. Differentiation properties of MSC-like cells were assessed by osteogenic and adipogenic induction. These inductions were evaluated by Alizarin Red staining (OI) and Oil Red O staining (AI), respectively **(D)**. Scale bars: 50  $\mu$ m; Patient 2 resFOP, Patient 2 resFOP clone 1; Patient 2 FOP, Patient 2 FOP clone 1.



**Figure S18. MSC-like cell-Cl and SCL-Cl derived from FOP-iPSCs and resFOP-iPSCs without Activin A.**

**(A-C)** Evaluation of MSC-like cell-Cl derived from FOP-iPSCs and resFOP-iPSCs without Activin A. Chondrogenic differentiation was assessed at day 5 of CI by RT-qPCR analysis **(A)**, Alcian Blue staining **(B)** and GAG/DNA analysis **(C)**.

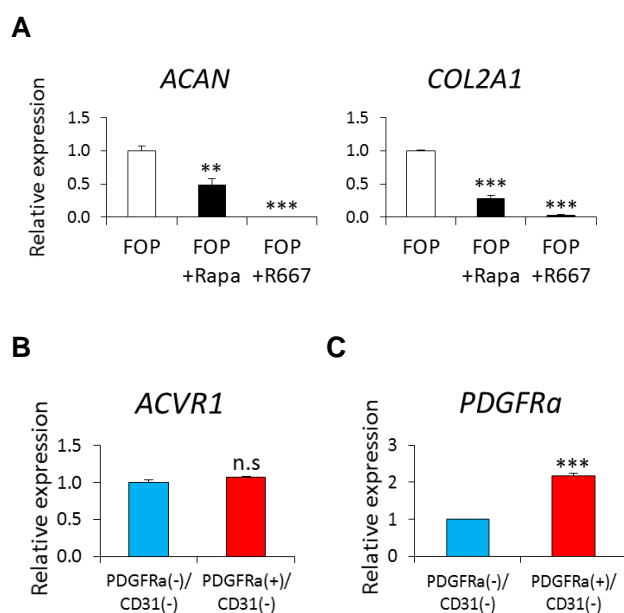
**(D-F)** Evaluation of SCL-Cl derived from FOP-iPSCs and resFOP-iPSCs without Activin A. Chondrogenic differentiation was assessed at day 5 of CI by RT-qPCR analysis **(D)**, Alcian Blue staining **(E)** and GAG/DNA analysis **(F)**. Error bars: mean  $\pm$  SE (n=3). \*p < 0.05 by Student's *t*-test compared with resFOP (A, C, D and F). Scale bars: 200  $\mu$ m; n.s, no significant difference; resFOP, Patient 1 resFOP clone 1; FOP, Patient 1 FOP clone 1.



**Figure S19. MSC-like cell-Cl and SCL-Cl derived from Patient 2 FOP-iPSCs and resFOP-iPSCs.**

**(A-C)** Evaluation of MSC-like cell-Cl derived from Patient 2 FOP-iPSCs and resFOP-iPSCs. Chondrogenic differentiation was assessed at day 5 of Cl by RT-qPCR analysis **(A)**, Alcian Blue staining **(B)** and GAG/DNA analysis **(C)**.

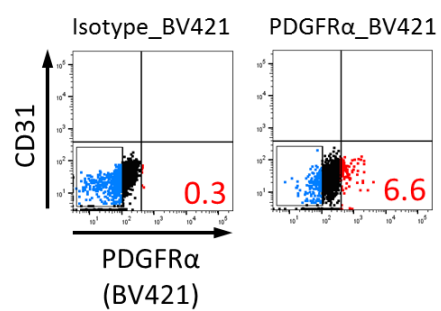
**(D-F)** Evaluation of SCL-Cl derived from Patient 2-FOP-iPSCs and resFOP-iPSCs. Chondrogenic differentiation was assessed at day 5 of Cl by RT-qPCR analysis **(D)**, Alcian Blue staining **(E)** and GAG/DNA analysis **(F)**. Error bars: mean  $\pm$  SE (n=3). \* $p < 0.05$ ; \*\* $p < 0.01$  by Student's *t*-test compared with Patient 2 resFOP (A, C, D and F). n.s, no significant difference; Scale bars: 200  $\mu$ m.



**Figure S20. Characterization of FOP-iPSC-derived MSC-like cells and MSC-like cell-CI.**

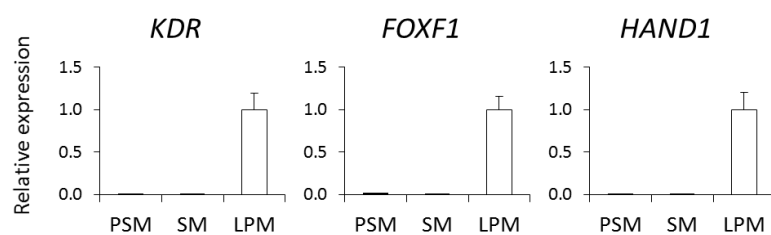
**(A)** Evaluation of R667 and Rapamycin treatment on chondrogenesis. Chondrogenic differentiation was assessed by RT-qPCR analysis. Cells were harvested at day 5 of 2DCI and treated with or without R667, Rapamycin.

**(B and C)** Evaluation of isolated PDGFRa<sup>+</sup>/CD31<sup>-</sup> MSC-like cells and PDGFRa<sup>-</sup>/CD31<sup>-</sup> MSC-like cells. *ACVR1* **(B)** and *PDGFRa* **(C)** expression were assessed by RT-qPCR analysis. Error bars: mean ± SE (n=3). \*\*\*p < 0.001 by Student's *t*-test compared with FOP (A) and PDGFRa<sup>-</sup>/CD31<sup>-</sup> population (B and C). Rapa, Rapamycin; n.s, no significant difference.



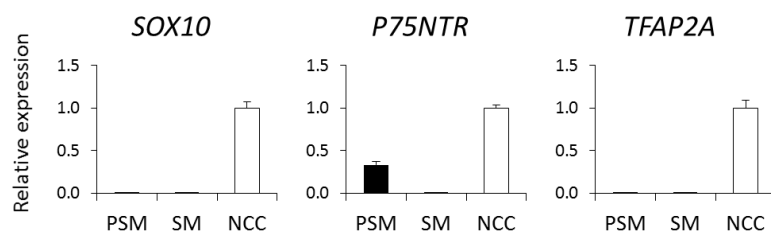
**Figure S21. Staining of isotype control antibody for PDGFRα.**

FACS analysis of SMMSC-like cells induced from FOP-iPSCs using isotype control antibody for PDGFRα.



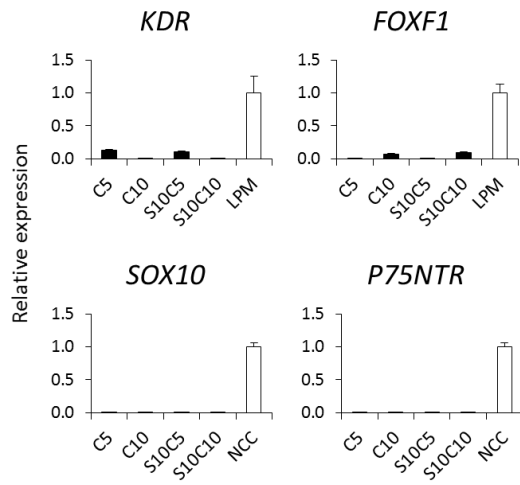
**Figure S22. Monitoring contamination of LPM cells at PSM and SM stages.**

Contamination of LPM cells in PSM and SM stage was assessed by RT-qPCR using LPM-related markers. iPSC-derived LPM were acquired by the following published protocols (Iyer *et al.*, 2015).



**Figure S23. Monitoring contamination of NCCs at PSM and SM stages.**

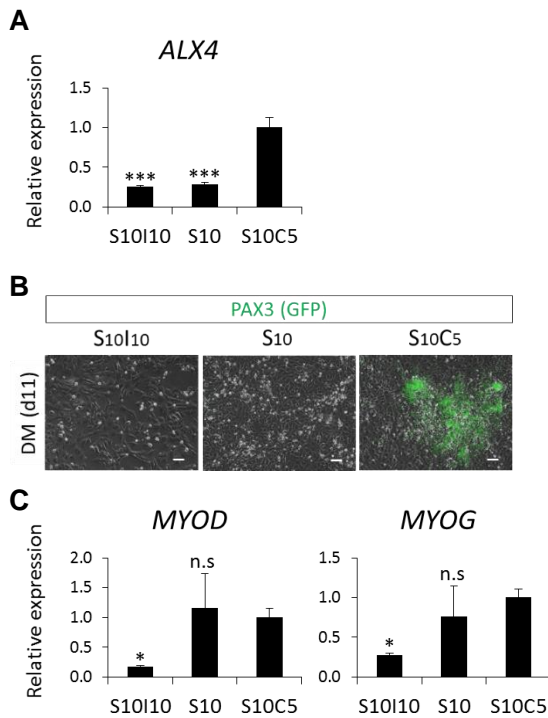
Contamination of NCCs in PSM and SM stages was assessed by RT-qPCR using NCC-related markers. iPSC-derived NCC were acquired by the following published protocols (Fukuta *et al.*, 2014).



**Figure S24. Monitoring contamination of LPM cells and NCCs in SM induced with various conditions.**

Contaminations of LPM cells and NCCs were assessed by RT-qPCR. Error bars: mean  $\pm$  SE (n=3).

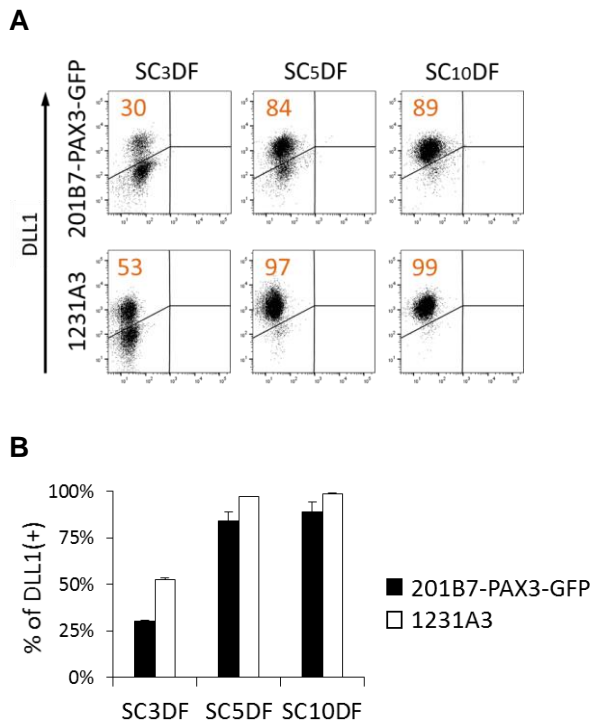




**Figure S25. Characterization of DM and MYO differentiated from SM induced with S10I10, S10 or S10C5.**

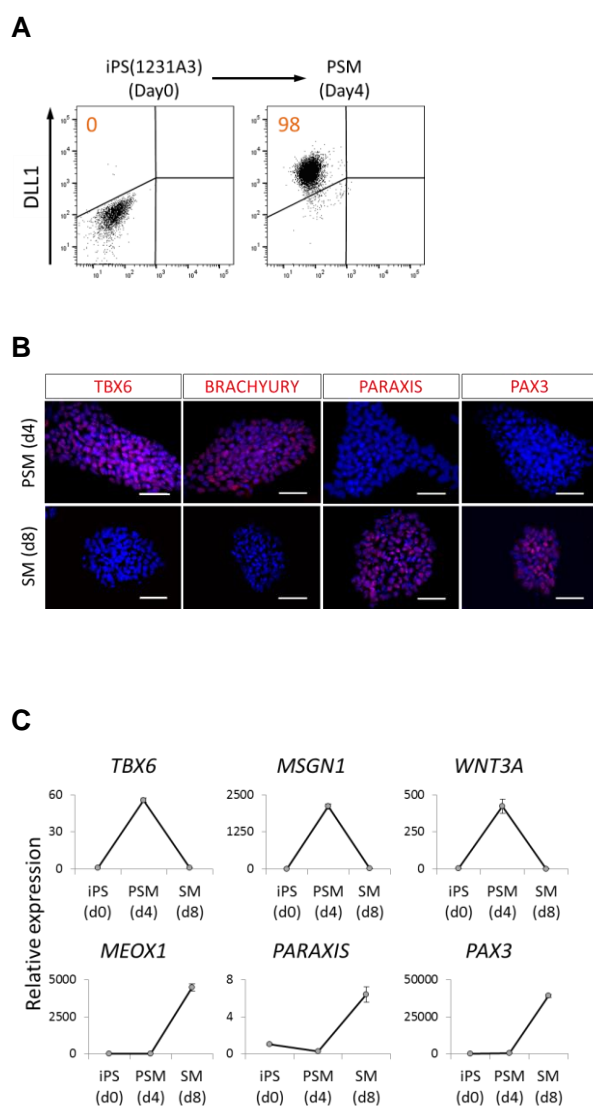
**(A-B)** Quality of induced DM was assessed by RT-qPCR **(A)** and PAX3-GFP fluorescence **(B)** analyses. Scale bars: 50  $\mu$ m.

**(C)** Quality of induced MYO was assessed by RT-qPCR analysis. Error bars: mean  $\pm$  SE (n=3). \*\*\*  $p < 0.001$ ; \*  $p < 0.05$  by Dunnett's multiple comparisons  $t$ -test compared with S10C5 (A, C). n.s, no significant difference.



**Figure S26. Effect of CHIR99021 concentration during PSM differentiation.**

**(A-B)** FACS analysis at day 4 using anti-DLL1 antibody. iPSC lines, 201B7-PAX3-GFP and 1231A3 were cultured in various CHIR99021 concentrations (SC3DF, SC5DF, SC10DF). Error bars: mean  $\pm$  SE (n=3). S, SB431542 10  $\mu$ M; C3, CHIR99021 3  $\mu$ M; C5, CHIR99021 5  $\mu$ M; C10, CHIR99021 10  $\mu$ M; D, DMH1 2  $\mu$ M; F, FGF2 20 ng/mL.



**Figure S27. Induction of SM through PSM fate in xeno-free condition.**

**(A-C)** Induction of SM through PSM fate in xeno-free condition. 1231A3, xeno-free and feeder-free iPSCs were used for the experiments. DLL1<sup>+</sup> cells were collected by FACS at day 4 of induced PSM **(A)**. Differentiation toward SM through PSM fate was assessed by immunocytochemistry **(B)** and RT-qPCR **(C)** analyses. Error bars: mean  $\pm$  SE (n=3). Scale bars: 50  $\mu$ m.

**Table S1. Primer sequences for qPCR analysis.**

NAME	Forward	Reverse
<i>ACTB</i>	CACCATTGGCAATGAGCGGTTC	AGGTCTTTGCGGATGTCCACGT
<i>NANOG</i>	GGCTCTGTTTTGCTATATCCCCTAA	CATTACGATGCAGCAAATACAAGA
<i>OCT3/4</i>	AGACCATCTGCCGCTTTGAG	GCAAGGGCCGCAGCTT
<i>SOX2</i>	TGGTCCTGCATCATGCTGTAG	AACCAGCGCATGGACAGTTAC
<i>TBX6</i>	AGCCTGTGTCTTTCCATCGT	AGGCTGTACGGAGATGAAT
<i>MSGN1</i>	GGAGAAGCTCAGGATGAGGA	GTCTGTGAGTCCCCGATGT
<i>WNT3A</i>	CAAGATTGGCATCCAGGAGT	ATGAGCGTGTCACTGCAAAG
<i>DLL1</i>	TGTGCCTCAAGCACTACCAG	TTCTGTTGCGAGGTCATCAG
<i>BRACHYURY</i>	ACCCAGTTCATAGCGGTGAC	CATTGGGAGTACCCAGGTTG
<i>MEOX1</i>	GAGATTGCGGTAACCTGGA	GAACTTGGAGAGGCTGTGGA
<i>PARAXIS</i>	TCCTGGAGAGCTGTGAGGAT	CACACCCTGTCACCAACAGT
<i>PAX3</i>	AGGAAGGAGGCAGAGGAAAG	CAGCTGTTCTGCTGTGAAGG
<i>MYOD</i>	CACTCCGGTCCCAAATGTAG	TTCCCTGTAGACCCACACAC
<i>MYOG</i>	TGGGCGTGTAAGGTGTGTAA	CGATGTACTGGATGGCACTG
<i>PAX7</i>	GGGATTCCCTTTGGAAGTGT	CGGCAAAGAATCTTGAGAC
<i>FGFR4</i>	CTGACCTTCGGACCCTATTCC	GCTGAAGACAGAATCGCTGG
<i>NCAD</i>	AGGATCAACCCCATACACCA	TGGTTTGACCACGGTGACTA
<i>PAX1</i>	CGTCAGCATCCCGCTCAT	ACACGCCGTGCTGGTTGGAG
<i>PAX9</i>	ACAGTGTGCTCCTTCTGGT	ATGTGAGACCTGGGAATTGG
<i>NKX3.2</i>	CAGAAATTCTCCCAAAGATGC	TCTCCCTACAGTTTCGCCG
<i>EN1</i>	GACTCGGACAGGTGCTATCG	AGTTCGCAGTTTCGTCCCTT
<i>ALX4</i>	TCCACTGCATATGAGCTGC	GTTGTTGCCGAGCCAGGA
<i>NOGGIN</i>	CCTCATCGAACCCAGACC	CATGAAGCCTGGGTCGTAGTG
<i>MSX1</i>	CACACTGCTCCAGTTTCACC	AGGGACTCTCCAGCCACTT
<i>EGFL6</i>	AAGGCATCACGGTTGTTAG	CGGTGTATCCTGGAAGCAT
<i>PDGFR<math>\alpha</math></i>	GGCCCCATTTACATCATCAC	CATAGCTCCGTGTGCTTTCA
<i>DLK1</i>	CGGCTTCATGACAAGACCT	GTGAGACCTGTGAACCTCGGG
<i>SCX</i>	CCCAAACAGATCTGCACCTTC	GCGAATCGTGTCTTTCTGTC
<i>MKX</i>	CGCACAGACACTCTGGAAAA	AGCGGCACTTTGACAGTCTT

<i>COL1A1</i>	GGACACAGAGGTTTCAGTGGT	GCACCATCATTTCCACGAGC
<i>COL1A2</i>	GGATGAGGAGACTGGCAACC	TTGCCCTCAGCAACAAGTTC
<i>CD44</i>	GCAATGCTTCTCAGACCACA	GAGGGGAGAGGGTAGACAGG
<i>CD73</i>	GCCGCTTTAGAGAATGCAAC	CTCGACACTTGGTGCAAAGA
<i>CD105</i>	CACTAGCCAGGTCTCGAAGG	CTGAGGACCAGAAGCACCTC
<i>PAI1</i>	TCCAGCAGCTGAATTCCTG	GCTGGAGACATCTGCATCCT
<i>MMP1</i>	GTGTCTCACAGCTTCCCAGCGAC	GCACTCCACATCTGGGCTGCTTC
<i>ACVR1</i>	GCGGTAATGAGGACCACTGT	CCCTGCTCATAAACCTG
<i>SOX9</i>	GACTTCCGCGACGTGGAC	GTTGGGCGGCAGGTACTG
<i>ACAN</i>	TCGAGGACAGCGAGGCC	TCGAGGGGTAGCGGTAGAGA
<i>IHH</i>	CGGTGGACATCACCATCA	CGTGGGCCTTTGACTCGTAA
<i>COL2A1</i>	GGCAATAGCAGGTTACGTACA	CGATAACAGTCTTGCCCCACTT
<i>RUNX2</i>	TTACTTACACCCGCCAGTC	TATGGAGTGCTGCTGGTCTG
<i>COMP</i>	GTCTTGGACACAACCATGCG	CGCAGCTGATGGGTCTCATA
<i>COL10A1</i>	CCCAGCACGCAGAATCCATC	AGTGGGCCTTTTATGCCTGT
<i>FGFR3</i>	AGTACCTGGACCTGTCCGGC	CCTCACATTGTTGGGGACCA
<i>SP7</i>	ATCCAGCCCCCTTTACAAGC	TAGCATAGCCTGAGGTGGGT
<i>VEGFA</i>	CAATCGAGACCCTGGTGGAC	TCTCTCTATGTGCTGGCCT
<i>MMP13</i>	CATGAGTTCGGCCACTCCTT	CCTGGACCATAGAGAGACTGGA
<i>OPN</i>	GCCAGCAACCGAAGTTTCA	AACCACACTATCACCTCGGC
<i>CD90</i>	AGGGCACCTACACGTGTGCA	GCACTGGAACCTGAGGCTTCC
<i>KDR</i>	GCGATGGCCTCTTCTGTAAG	ACACGACTCCATGTTGGTCA
<i>HAND1</i>	CACTCTCCACCCTTTTGGGA	TCCTGCGTCTGGTTCTCTTT
<i>FOXF1</i>	TCTTTGTGCGAACCAACTTGC	AGCGAAGGAAGAGGAGGAAC
<i>SOX10</i>	GAGCTGGACCCGACACCTTGGG	AACGCCACCTCCTCGGACCTC
<i>TFAP2A</i>	AAGAGTTCACCGACCTGCTG	AGGGCCTCGGTGAGATAGTT
<i>P75NTR</i>	CCGTTGGATTACACGGTCCA	GACAGGGATGAGGTTGTCCG

**Table S2. Antibodies for immunostaining and intracellular flow cytometry analysis.**

	NAME	Hosts	Company	Cat. No	Dilution
1st	TBX6	Goat	R&D	AF4744	1/50
	CDX2	Mouse	BioGenex	CDX2-88	1/200
	BRACHYURY	Goat	R&D	AF2085	1/200
	PARAXIS	Rabbit	Santacruz	sc-98796	1/50
	MEOX1	Rabbit	abcam	ab75895	1/50
	CDH11	Mouse	Cell Signaling	13577	1/2000
	PAX3	Mouse	DSHB	Clone:C2	1/500
	MHC(clone: MF20)	Mouse	eBioscience	14-6503	1/800
	MHC(clone: H300)	Rabbit	Santacruz	sc-20641	1/200
	MYOD	Rabbit	abcam	ab133627	1/500
	MYOG	Mouse	Santacruz	sc-12732	1/400
	PAX1	Rabbit	abcam	ab95227	1/50
	PAX9	Rabbit	GeneTex	GTX104454	1/50
	NKX3.2	Rabbit	Sigma	HPA027564	1/50
	Type II collagen	Mouse	ThermoScientific	MS-235	1/500
	ALX4	Goat	Santacruz	sc-22066	1/50
	EN1	Rabbit	abcam	ab70993	1/50
	PDGFRa	Goat	R&D	AF307	1/100
	SCX	Rabbit	abcam	ab58655	1/50
	MKX	Rabbit	Atlas antibodies	A83377	1/50
COL1A1	Rabbit	abcam	ab34710	1/100	
COL1A2	Rabbit	abcam	ab96723	1/100	
2nd	Novex Goat anti Mouse IgG(H+L) secondary antibody555		Invitrogen	A21422	1/500
	Novex Goat anti Rabbit IgG(H+L) secondary antibody555		Invitrogen	A21428	1/500
	Novex Donkey anti Goat IgG(H+L) secondary antibody555		Invitrogen	A21432	1/500
	Novex Goat anti Rabbit IgG(H+L) secondary antibody647		Invitrogen	A21245	1/500
	Novex Donkey anti Goat IgG(H+L) secondary antibody647		Invitrogen	A21447	1/500

**Table S3. Antibodies for FACS.**

NAME	Host species	Company	Cat. No	Dilution
DLL1 APC-conjugated	Mouse	R&D	FAB1818A	1/200
CD44 PE-conjugated	Mouse	BD	555479	1/50
CD45 APC-conjugated	Mouse	BD	340943	1/50
CD73 PE-conjugated	Mouse	BD	550257	1/50
CD105 APC-conjugated	Mouse	eBioscience	17-1057	1/50
CD140a BV421-conjugated	Mouse	BD	562799	1/100
CD31 Alexa647-conjugated	Mouse	Biolegend	303112	1/50
BV421 Isotype Control	Mouse	BD	562439	1/100
APC Isotype Control	Mouse	BD	565381	1/200

### Supplemental references

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