SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________

Commission File Number 001-09097

REX STORES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	31-1095548
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2875 Needmore Road, Dayton, Ohio	45414
(Address of principal executive offices)	(Zip Code)

(937) 276-3931
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes (X) No ( )

At the close of business on June 3, 2005 the registrant had 11,017,161 shares of Common Stock, par value $.01 per share, outstanding.

REX STORES CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets

	April 30 2005	January 31 2005	April 30 2004
		(In Thousands)	
	Unaudited		Unaudited
CURRENT ASSETS:			
Cash and cash equivalents	$ 6,221	$ 4,671	$ 17,092
Escrow deposit	9,000	-	-
Accounts receivable, net	3,984	5,460	3,049
Synthetic fuel receivable	964	1,675	893
Investments available for sale	-	-	7,000
Merchandise inventory	131,547	124,188	136,823
Prepaid expenses and other	672	1,230	863
Future income tax benefits	10,929	10,929	8,703
Total current assets	163,317	148,153	174,423
PROPERTY AND EQUIPMENT, NET	129,330	129,723	131,513
ASSETS HELD FOR SALE	1,669	1,986	-
OTHER ASSETS	953	841	915
FUTURE INCOME TAX BENEFITS	27,978	27,978	14,645
RESTRICTED INVESTMENTS	2,277	2,270	2,259
Total assets	$ 325,524	$ 310,951	$ 323,755
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt	$ 2,881	$ 2,897	$ 5,044
Current portion of deferred income and deferred gain on sale and leaseback	9,886	10,432	10,347
Accounts payable, trade	47,064	32,842	47,616
Accrued income taxes	624	1,567	1,119
Accrued payroll and related items	4,264	6,303	3,828
Other current liabilities	5,974	6,152	7,206
Total current liabilities	70,693	60,193	75,160
LONG-TERM LIABILITIES:			
Long-term mortgage debt	29,213	30,501	47,573
Deferred income	11,582	11,703	12,269
Total long-term liabilities	40,795	42,204	59,842
SHAREHOLDERS' EQUITY:			
Common stock	291	290	286
Paid-in capital	134,338	133,474	127,724
Retained earnings	218,729	212,629	189,165
Treasury stock	(139,322)	(137,839)	(128,422)
Total shareholders' equity	214,036	208,554	188,753
Total liabilities and shareholders' equity	$ 325,524	$ 310,951	$ 323,755

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Income
Unaudited

	Three Months Ended April 30	
	2005	2004
	(In Thousands, Except Per Share Amounts)	
NET SALES	$ 89,742	$ 84,629
Cost of merchandise sold	65,177	59,841
Gross profit	24,565	24,788
Selling, general and administrative expenses	22,869	23,542
OPERATING INCOME	1,696	1,246
INVESTMENT INCOME	74	87
INTEREST EXPENSE	(616)	(934)
LOSS ON EARLY TERMINATION OF DEBT	-	(22)
INCOME FROM LIMITED PARTNERSHIPS	5,983	5,236
Income from continuing operations before provision for income taxes and discontinued operations	7,137	5,613
PROVISION FOR INCOME TAXES	1,059	1,426
Income from continuing operations	6,078	4,187
Loss from discontinued operations, net of tax	(94)	(102)
Gain on disposal of discontinued operations, net of tax	116	-
Net Income	$6,100	$4,085
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	11,156	11,155
Basic income per share from continuing operations	$0.55	$0.38
Basic loss per share from discontinued operations	(0.01)	(0.01)
Basic income per share on disposal of discontinued operations	.01	-
BASIC NET INCOME PER SHARE	$0.55	$0.37
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	12,771	12,965
Diluted income per share from continuing operations	$0.48	$0.32
Diluted loss per share from discontinued operations	(0.01)	-
Diluted income per share on disposal of discontinued operations	0.01	-
DILUTED NET INCOME PER SHARE	$0.48	$0.32

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Shareholders' Equity
Unaudited

	Common Shares Issued Shares	Common Shares Issued Amount	Common Shares Treasury Shares	Common Shares Treasury Amount	Paid-in Capital	Retained Earnings	Total Shareholders' Equity
	(In Thousands)						
Balance at January 31, 2005	29,038	$290	17,865	($137,839)	$133,474	$212,629	$208,554
Net income						6,100	6,100
Treasury stock acquired			120	(1,676)			(1,676)
Stock options exercised and related tax effects	36	1	(25)	193	864		1,058
Balance at April 30, 2005	29,074	$291	17,960	($139,322)	$134,338	$218,729	$214,036

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Cash Flows
Unaudited

	Three Months Ended April 30	
	2005	2004
	(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 6,100	$ 4,085
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization, net	1,082	1,000
Income from limited partnerships	(5,983)	(5,236)
Loss on disposal of fixed assets	80	89
Deferred income	(667)	(561)
Changes in assets and liabilities:		
Accounts receivable	1,476	1,757
Merchandise inventory	(7,359)	(20,068)
Prepaid expenses and other	558	618
Other long term assets	(112)	2,563
Accounts payable, trade	14,222	14,871
Other current liabilities	(3,160)	(2,470)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6,237	(3,352)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,563)	(1,321)
Proceeds from sale of partnership interest	6,694	7,440
Proceeds from sale of real estate and fixed assets	1,111	-
Escrow deposit	(9,000)	-
Restricted investments	(7)	(2)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(2,765)	6,117
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of long-term debt	(1,304)	(6,189)
Stock options exercised	865	545
Treasury stock issued	193	901
Treasury stock acquired	(1,676)	(710)
NET CASH USED IN FINANCING ACTIVITIES	(1,922)	(5,453)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,550	(2,688)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,671	19,780
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 6,221	$ 17,092

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
April 30, 2005

Note 1. Consolidated Condensed Financial Statements

The consolidated condensed financial statements included in this report have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and include, in the opinion of management, all adjustments necessary to state fairly the information set forth therein. Any such adjustments were of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these unaudited consolidated condensed financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended January 31, 2005 (fiscal 2004). The results of operations for the interim periods are not necessarily indicative of the results to be expected for the year.

Note 2. Reclassifications

Investments in auction rate securities have been reclassified from cash and cash equivalents to investments available for sale on the Consolidated Condensed Balance Sheet. The reclassification was effected because the securities had stated maturities beyond three months. The amount of auction rate securities was $7 million at April 30, 2004. There were no auction rate securities at April 30, 2005. The Company reclassified $960,000 of in transit credit card and finance contract settlements from cash to accounts receivable as of April 30, 2004.

Note 3. Accounting Policies

The interim consolidated condensed financial statements have been prepared in accordance with the accounting policies described in the notes to the consolidated financial statements included in the Company's 2004 Annual Report on Form 10-K. While management believes that the procedures followed in the preparation of interim financial information are reasonable, the accuracy of some estimated amounts is dependent upon facts that will exist or calculations that will be accomplished at fiscal year end. Examples of such estimates include changes in the LIFO reserve (based upon the Company's best estimate of inflation to date), management bonuses and the provision for income taxes. Any adjustments pursuant to such estimates during the quarter were of a normal recurring nature. The provision for income taxes could vary based upon full year synthetic fuel production levels, federal income tax law changes, and the price of certain fuel products adjusted for inflation and Internal Revenue Service audits.

The following table reflects the approximate percent of net sales for each major product group for the periods presented.

Product Category	Three Months Ended April 30 2005	2004
Televisions	55.1%	51.7%
Appliances	20.3	18.0
Audio	11.3	15.0
Video	5.2	6.8
Other	8.1	8.5
	100.0%	100.0%

The Company accounts for vendor allowances in accordance with Emerging Issues Task Force (EITF) 02-16 "Accounting by a Customer for Certain Consideration Received from a Vendor," which addresses how and when to reflect consideration received from vendors in the consolidated financial statements. Vendors often fund, up front, certain advertising costs and exposure to general changes in pricing to customers due to technological change. Allowances are deferred as received from vendors and recognized into income as an offset to the cost of merchandise sold when the related product is sold or expense incurred. Advertising costs are expensed as incurred.

Cost of merchandise sold includes the cost of merchandise, markdowns and inventory shortage, receiving, warehousing and freight charges to deliver merchandise to retail stores, service repair bills as well as cash discounts and rebates. The Company classifies purchasing costs as selling, general and administrative expenses. As a result of this classification, the Company's gross margins may not be comparable to those of other retailers that include costs related to their distribution network in selling, general and administrative expense.

The Company includes stores expenses (such as payroll and occupancy costs), advertising, purchasing, depreciation, insurance and overhead costs in selling, general and administrative expenses.

Interest expense of $616,000 for the three months ended April 30, 2005 is net of approximately $8,000 of interest capitalized. There was no interest capitalized in the first quarter of fiscal 2004. Cash paid for interest for the quarter ended April 30, 2005 and 2004 was approximately $589,000 and $891,000, respectively.

The Company applies an effective tax rate to interim periods that is consistent with the Company's estimated annual tax rate. The tax credits generated from synthetic fuel operations reduce the Company's overall effective tax rate. Estimates of the effective tax rate may change based upon synthetic fuel production and the Company's projected income. The Company provides for deferred tax liabilities and assets for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. The Company provides for a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company paid income taxes of approximately $1,307,000 and $1,083,000 for the three months ended April 30, 2005 and 2004, respectively.

In December 2004, The Financial Accounting Standards Board ("FASB") issued a revision to Statement of Financial Accounting Standards 123, "Share-Based Payment ("SFAS 123(R)"). The revision requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments granted to employees. SFAS 123(R) eliminates the alternative method of accounting for employee share-based payments previously available under Accounting Principles Board Opinion No. 25 ("APB 25"). In April 2005, the Securities and Exchange Commission delayed the effective date of SFAS 123(R) to fiscal years beginning after June 15, 2005. As a result, SFAS 123(R) will be effective for the Company beginning in the first quarter of fiscal 2006. The Company has not completed its evaluation of the impact that adopting SFAS 123(R) will have on the financial statements.

Note 4. Stock Option Plans

The Company has stock-based compensation plans under which stock options are granted to directors, officers and key employees at the market price on the date of the grant.

The following summarizes options granted, exercised and canceled or expired during the three months ended April 30, 2005:

Outstanding at January 31, 2005 ($3.61 to $16.04 per share)	5,751,308
Exercised ($3.61 to $13.01 per share)	(61,073)
Canceled or expired ($8.01 to $14.745 per share)	(22,950)
Outstanding at April 30, 2005 ($3.61 to $16.04 per share)	5,667,285

Pursuant to SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has elected to account for its employee stock option plans under APB Opinion No. 25, "Accounting for Stock Issued to Employees," which recognizes expense based on the intrinsic value at date of grant. As stock options have been issued with exercise prices equal to grant date fair value, no compensation cost has resulted.

Had compensation cost for all options granted been determined based on the fair value at grant date consistent with SFAS No. 123, the Company's net earnings and earnings per share would have been as follows (in thousands, except per share amounts):

		Three Months Ended April 30	
		2005	2004
Net Income	As Reported	$6,100	$4,085
	Compensation Cost, net of tax	838	753
	Pro forma	5,262	3,332
Basic net income per share	As Reported	$ 0.55	$ 0.37
	Compensation Cost, net of tax	0.08	0.07
	Pro forma	$ 0.47	$ 0.30
Diluted net income per share	As Reported	$ 0.48	$ 0.32
	Compensation Cost, net of tax	.07	.06
	Pro forma	$ 0.41	$ 0.26

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and experience.

Note 5. Income Per Share from Continuing Operations

The following table reconciles the basic and diluted net income per share from continuing operations computation for each period presented (in thousands, except per share amounts):

	Three Months Ended April 30, 2005			Three Months Ended April 30, 2004		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic income per share from continuing operations	$6,078	11,156	$0.55	$4,187	11,155	$0.38
Effect of stock options		1,615			1,810	
Diluted income per share from continuing operations	$6,078	12,771	$0.48	$4,187	12,965	$0.32

For the three months ended April 30, 2005 and 2004, a total of 320,136 shares and 335,936 shares, respectively, subject to outstanding options were not included in the common equivalent shares outstanding calculation as the exercise prices were above the average trading price of the Company's common stock for that period.

Note 6. Synthetic Fuel

Net income for the first quarter of fiscal 2005 includes approximately $6.0 million of pre-tax investment income from the sales of the Company's entire Partnership interest in Colona SynFuel Limited Partnership, L.L.L.P., a synthetic fuel limited partnership. Of this amount, approximately $448,000 relates to a payment received for 2004 production. The 2004 production payments made to the Company were based upon estimated income tax credits per ton of coal produced. The $448,000 payment was made to the Company after the Internal Revenue Service published the 2004 income tax credit per ton amount in April of 2005.

The Company also sold its entire membership interest in a limited liability company that owned a synthetic fuel facility in Gillette, Wyoming. The Company received $2,750,000 at the time of sale on March 30, 2004 along with a secured contingent payment note that could provide additional investment income to the Company. The facility resumed commercial operations during the second quarter of fiscal 2005 and as such the Company received an additional $3.5 million which it expects to recognize as income in the second quarter of fiscal 2005. In addition, the Company is eligible to receive $1.50 per ton of "qualified production" produced by the facility and sold through 2007.

The Company remains a limited partner in Somerset SynFuel, L.P. This partnership is operational and producing synthetic fuel. We are receiving Section 29 federal income tax credits in connection with production and sales of synthetic fuel from the Somerset facility.

As provided by the current Internal Revenue Code, the Code Section 29 tax credit program is expected to continue through December 31, 2007. Recent increases in the price of oil could limit the amount of those credits or eliminate them altogether for one or more of the years following fiscal 2004. This possibility is due to a provision of Section 29 that provides that if the average wellhead price per barrel for unregulated domestic crude oil for the year (the "Annual Average Price") exceeds a certain threshold value (the "Threshold Price"), the Section 29 tax credits are subject to phase out. For calendar year 2004, the Threshold Price was $51.34 per barrel and the Phase Out Price was $64.47 per barrel. The Threshold Price and the Phase Out Price are adjusted annually as a result of inflation.

The Company cannot predict with any certainty the Annual Average Price for 2005 or beyond. Therefore, it cannot predict whether the price of oil will have a material effect on its synthetic fuel business after 2004. However, if during 2005, or in subsequent years, oil prices remain at historically high levels or increase, the Company's synthetic fuel business may be adversely affected for those years, and, depending on the magnitude of such increases in oil prices, the adverse affect for those years could be material and could have an impact on the Company's synthetic fuel results of operations and related income tax benefits.

Note 7. Discontinued Operations and Assets Held for Sale

During the first quarter of fiscal 2005 the Company closed four stores in which the Company vacated the market. Those stores and certain stores closed in previous periods were classified as discontinued operations for all periods presented. Two of the closed stores are classified as held for sale. The net assets of those stores at April 30, 2005 were approximately $1,670,000. The Company expects to sell the assets related to these stores within the next twelve months through normal real estate channels. No loss has been recognized as the estimated net realizable values exceed the carrying values of these assets.

Below is a table reflecting certain items of the income statement that were reclassified as discontinued operations for the period indicated:

	Three Months Ended April 30	
	2005	2004
	(In Thousands)	
Net sales	$1,318	$3,571
Cost of merchandise sold	1,159	2,591
Loss before benefit for income taxes	155	167
Benefit for income taxes	61	65
Gain on disposal	192	-
Provision for income taxes	76	-
Net gain (loss)	$22	($102)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

We are a specialty retailer in the consumer electronics/appliance industry. As of April 30, 2005 we operated 229 stores in 37 states, predominantly in small to medium-sized markets under the trade name "REX".

Fiscal Year

All references in this report to a particular fiscal year are to REX's fiscal year ended January 31. For example, "fiscal 2005" means the period February 1, 2005 to January 31, 2006.

Results of Operations

The following table sets forth, for the periods indicated, the relative percentages that certain income and expense items bear to net sales:

	Three Months Ended April 30 2005	Three Months Ended April 30 2004
Net sales	100.0%	100.0%
Cost of merchandise sold	72.7	70.7
Gross profit	27.3	29.3
Selling, general and administrative expenses	25.4	27.8
Operating income	1.9	1.5
Investment income	0.1	0.1
Interest expense	(0.7)	(1.1)
Income from limited partnerships	6.7	6.1
Income from continuing operations before provision for income taxes and discontinued operations, net of tax	8.0	6.6
Provision for income taxes	(1.2)	(1.7)
Income from continuing operations	6.8	4.9
Loss from discontinued operations, net of tax	(0.1)	(0.1)
Gain on disposal of discontinued operations, net of tax	0.1	-
Net income	6.8%	4.8%

Comparison of Three Months Ended April 30, 2005 and 2004

Net sales in the quarter ended April 30, 2005 were $89.7 million compared to $84.6 million in the prior year's first quarter, representing an increase of $5.1 million or 6.0%. This increase was primarily caused by an increase in comparable store sales of 7% for the first quarter of fiscal 2005. We consider a store to be comparable after it has been open six full fiscal quarters. Comparable store sales comparisons do not include sales of extended service contracts. We had a net reduction of sixteen stores (thirteen of which were classified as discontinued operations) since the end of the first quarter of fiscal 2004.

Our strongest product category for the first quarter of fiscal 2005 was the television category which positively impacted comparable store sales by 7.9%. This increase is primarily due to higher demand for the LCD, DLP and plasma televisions. The appliance category positively impacted comparable store sales by 2.0%. This increase is primarily due to the Company stocking and displaying more products in stores. The video category negatively impacted comparable store sales by 1.9%. The audio category negatively impacted comparable store sales by 1.6%. Both the audio and video categories have been impacted by lower price points of their respective products and these products becoming more of a commodity item with very high levels of competition.

The following table reflects the approximate percent of net sales for each major product group for the periods presented.

Product Category	Three Months Ended April 30 2005	2004
Televisions	55.1%	51.7%
Appliances	20.3	18.0
Audio	11.3	15.0
Video	5.2	6.8
Other	8.1	8.5
	100.0%	100.0%

As of April 30, 2005, we had 229 stores compared to 245 stores one year earlier. We did not open any stores and closed five stores during the first three months of fiscal 2005. We did not open any stores and closed three stores during the first three months of fiscal 2004.

Gross profit of $24.6 million (27.3% of net sales) in the first quarter of fiscal 2005 was approximately $0.2 million lower than the $24.8 million (29.3% of net sales) recorded in the first quarter of fiscal 2004. Gross profit margin has been reduced both due to more aggressive promotional activity and recognizing a lower amount of extended service contract sales which generally have higher gross profit margin associated with it.

Selling, general and administrative expenses for the first quarter of fiscal 2005 were $22.9 million (25.4% of net sales), a decrease of $0.7 million or 2.9% from $23.5 million (27.8% of net sales) for the first quarter of fiscal 2004. The decrease in expenditures was primarily a result of lower advertising costs, largely due to fewer newspaper inserts used and a shift in the calendar.

Operating income in the first quarter of fiscal 2005 was $1.7 million (1.9% of net sales), an increase of $0.5 million (36.1%) over the $1.2 million (1.5% of net sales) for the first quarter of fiscal 2004.

Investment income for the first quarter of fiscal 2005 was $0.1 million (0.1% of net sales), unchanged from the first quarter of fiscal 2004.

Interest expense was $0.6 million (0.7% of net sales) for the first quarter of fiscal 2005 compared to $0.9 million (1.1% of net sales) for the first quarter of fiscal 2004. Interest expense for the current year has been lowered due to lower average borrowings on the line of credit and the pay off of approximately $25.4 million in mortgage debt in the prior year.

Results for the first quarter of fiscals 2005 and 2004 also reflect the impact of our equity investment in two limited partnerships, Colona SynFuel Limited Partnership, L.L.L.P., and Somerset SynFuel, L.P., which produce synthetic fuels. We remain a limited partner in the Somerset limited partnership but have sold our ownership interest in the Colona limited partnership through a series of three sales. We expect to receive payments from the sales on a quarterly basis, subject to annual limitations, through 2007, which will range from 74.25% to 82.5% of the federal income tax credits attributable to the interest sold.

Below is a table summarizing the income from the sales, net of certain expenses. The higher income for the current year generally reflects higher production levels compared to the previous year.

	Three Months Ended April 30 2005	2004
	(In Thousands)	
February 1, 1999 sale	$2,375	$1,846
July 31, 2000 sale	1,914	1,560
May 31, 2001 sale	1,701	1,352
	$5,990	$4,758

The income for the first quarters of 2005 and 2004 from the Colona partnership sale includes approximately $448,000 and $118,000, respectively, related to previous year production. The previous year production payments made to the Company were based upon estimated income tax credits per ton of coal produced. A final calculation is made after the Internal Revenue Service publishes a final income tax credit per ton amount. This is normally done in April for the preceding calendar year.

Income from synfuel investment for the first quarter of fiscal 2005 also includes expense of approximately $7,000 related to our sale of our membership interest in the limited liability company that owns a synthetic fuel facility in Gillette, Wyoming. We received $2,750,000 at the time of sale on March 30, 2004 along with a secured contingent payment note that could provide additional investment income to us. The facility resumed commercial operations during the second quarter of fiscal 2005. We received an additional $3.5 million which we expect to recognize as income in the second quarter of fiscal 2005. In addition, we are eligible to receive $1.50 per ton of "qualified production" produced by the facility and sold through 2007.

Our effective tax rate was 14.8% and 25.4% for the first quarter of fiscals 2005 and 2004, respectively, after reflecting our share of federal income tax credits earned by the limited partnerships under Section 29 of the Internal Revenue Code. Our effective tax rate for fiscal 2005 will be affected by the level of federal income tax credits generated by the limited partnerships, which we do not control, and any limitations on those credits under the Internal Revenue Code.

During the first quarter of fiscal 2005, we closed five stores, four of which were classified as discontinued operations. As a result, we had a loss from discontinued operations, net of tax benefit, of $94,000 for the first quarter of fiscal 2005, compared to a loss of $102,000 for the first quarter of fiscal 2004.

We sold one property during the first quarter of fiscal 2005 that had been previously closed. As a result, we had a gain, net of tax expense, of $116,000.

As a result of the foregoing, net income for the first quarter of fiscal 2005 was $6.1 million, a 49.3% increase from $4.1 million for the first quarter of fiscal 2004.

Liquidity and Capital Resources

Net cash provided by operating activities was approximately $6.2 million for the first quarter of fiscal 2005, compared to $3.4 million used in operating activities for the first quarter of fiscal 2004. For the first quarter of fiscal 2005, cash was provided by net income of $6.1 million, adjusted for the impact of $6.0 million for gains on our installment sales of the limited partnership interest, non-cash items of $0.5 million, which consisted of depreciation and amortization, deferred income and loss on disposal of fixed assets. In addition, accounts payable provided cash of $14.2 million, primarily as a result of changes in inventory levels and the timing of payments to vendors. Cash was also provided by a decrease in accounts receivable and other assets of $1.9 million. The primary use of cash was an increase in inventory of $7.4 million primarily due to seasonal fluctuations. The other use of cash was a decrease in other current liabilities of $3.2 million.

At April 30, 2005, working capital was $92.6 million compared to $88.0 million at January 31, 2005. This increase is primarily a result of strong cash flows during the quarter, both from our retail operations and our synthetic fuel investments. The ratio of current assets to current liabilities was 2.3 to 1 at April 30, 2005 and 2.5 to 1 at January 31, 2005.

During the first quarter of fiscal 2005, we received proceeds of $6.7 million from installment sales of our ownership interest in the Colona synfuel limited partnership. We had capital expenditures of approximately $1.6 million during the first quarter of fiscal 2005, primarily related to the relocation of one store and the purchase of a store that was previously leased. We used $9 million of cash as we deposited funds into escrow for a possible investment in an ethanol producing facility.

Cash used in financing activities totaled approximately $1.9 million for the first three months of fiscal 2005. Cash was provided by stock option activity of $1.1 million. We also recorded a tax benefit of approximately $0.7 million during the first quarter of fiscal 2005 from the exercise of non-qualified stock options as an increase in additional paid-in capital. Cash of $1.3 million was used for scheduled payments of mortgage debt. Cash of approximately $1.7 million was also used to acquire 120,000 shares of our common stock. At April 30, 2005, we had approximately 333,245 authorized shares remaining available for purchase under the stock buy-back program. On June 2, 2005, the Company announced it had increased its share repurchase authorization by an additional 1,000,000 shares.

Forward-Looking Statements

This Form 10-Q contains or may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The words "believes", "estimates", "plans", "expects", "intends", "anticipates" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties. These risks and uncertainties include among other things: the highly competitive nature of the consumer electronics retailing industry, changes in the national or regional economies, weather, the effects of terrorism or acts of war on consumer spending patterns, the availability of certain products, technological changes, new regulatory restrictions or tax law changes relating to the Company's synthetic fuel investments, the fluctuating amount of quarterly payments received by the Company with respect to sales of its partnership interests in synthetic fuel investments, the uncertain amount of synthetic fuel production and tax credits received from time to time from the Company's synthetic fuel investments, and the potential for Section 29 tax credits to phase out based on the price of crude oil adjusted for inflation. Other factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Exhibit 99(a) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2005 (File No. 001-09097).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

No material changes since January 31, 2005.

Item 4. Controls and Procedures

The Company's management evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1)(2)
February 1-28, 2005	22,300	$14.66	22,300	430,745
March 1-31, 2005	-	-	-	430,745
April 1-30, 2005	97,500	$13.84	97,500	333,245
Total	119,800	$13.99	119,800	333,245

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(1) On February 26, 2004, the Company announced it had authorized the purchase of up to an additional 1,000,000 shares of its common stock from time to time in private or market transactions at prevailing market prices. At April 30, 2005, a total of 333,245 shares remained available to purchase under this plan.

(2) On June 2, 2005, the Company announced it had increased its share repurchase Authorization by an additional 1,000,000 shares.

Item 4. Submission of Matters to a Vote of Security Holders.

The annual meeting of shareholders of REX Stores Corporation was held on May 26, 2005, at which the following matter was submitted to a vote of shareholders:

1. Election of seven directors.

Nominee	For	Withheld
Stuart A. Rose	6,909,642	3,371,737
Lawrence Tomchin	6,806,324	3,475,055
Robert Davidoff	9,908,929	372,450
Edward M. Kress	6,868,272	3,413,107
Lee Fisher	9,880,903	400,476
Charles A. Elcan	6,558,585	3,722,794
David S. Harris	9,909,203	372,176

Item 6. Exhibits.

The following exhibits are filed with this report:

31 Rule 13a-14(a)/15d-14(a) Certifications

32 Section 1350 Certifications

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REX STORES CORPORATION
Registrant

Signature	Title	Date
STUART A. ROSE -------------- (Stuart A. Rose)	Chairman of the Board (Chief Executive Officer)	June 6, 2005
DOUGLAS L. BRUGGEMAN - ---------------------- (Douglas L. Bruggeman)	Vice President, Finance and Treasurer (Chief Financial Officer)	June 6, 2005

Exhibit 31

CERTIFICATIONS

I, Stuart A. Rose, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX Stores Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2005

STUART A. ROSE
Stuart A. Rose
Chairman of the Board, President and
Chief Executive Officer

CERTIFICATIONS

I, Douglas L. Bruggeman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX Stores Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 6, 2005

DOUGLAS L. BRUGGEMAN
Douglas L. Bruggeman
Vice President, Finance, Treasurer and
Chief Financial Officer

Exhibit 32

REX Stores Corporation
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officers of REX Stores Corporation (the "Company") hereby certify, to their knowledge, that the Company's Quarterly Report on Form 10-Q for the period ended April 30, 2005, which this certificate accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

STUART A. ROSE
Stuart A. Rose

DOUGLAS L. BRUGGEMAN
Douglas L. Bruggeman

Dated: June 6, 2005